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The Nation's Business

King Is Handicapped At Washington Parley

Prime Minister King is going to Washington, where undoubtedly, on behalf of Canada, he will be involved in a plan for Allied action on a world-wide scale.

Will it be possible for him to enter fully and adequately into that new bond with the restrictions imposed upon him at home by Canada's lack of compulsory selective service and of a government truly representative of the nation? We think not.

Mr. King says he is striving to retain Canadian unity by avoiding definite action along these lines.

The present crisis—and the new Allied bonds now being forged—completely invalidate that argument. Never in Canadian history was there greater danger of suicidal disunity resulting from that very refusal to act.

Canada's spokesman at the Washington conference with Messrs. Churchill and Roosevelt must have the wholehearted backing of a united country.

Mr. King has the power to act to secure the united action of the British Empire's senior Dominion.

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EDITORS BACK BROADER GOVERNMENT

Canadian newspaper editors emphatically support the contention that the new war crisis demands an immediate broadening of the Canadian government.

The time is past for party politics. All major political groups must have representation in the government at Ottawa if we are to obtain the spontaneous, whole-hearted and national support that is absolutely vital to bring this world war to a speedy and successful conclusion.

All else must be subordinated to winning the war and this can be accomplished only through an all out effort where every single man and woman in the whole Dominion is willing and eager to play a part. Realising the present grave crisis that confronts the democratic world, with our western as well as our eastern flank now imperilled, The Financial Post last week published a special announcement of a change in editorial policy. We stated:

Up to the present it has been our conviction that a party government, kept alert and efficient by a vigorous opposition, could, did it so desire, prosecute the war effort with strength and efficiency. But the gravity of the situation, the increasing magnitude and cost of that effort, and the evident disinclination of the government leaders to eschew party considerations, compel us to change our view.

We believe now that only through a representative, non-partisan government, can the nation achieve that unity, that spirit of fight, work and sacrifice that is vital to the winning of the life and death struggle in which we are engaged.

This week The Post wired a wide range of newspaper editors asking them if they believed a union government truly representative of all parties and interest was now essential. The list of editors was selected without regard for party or other affiliations. We simply sought a wide cross section of honest opinion. Their views are published elsewhere in this issue and we commend a careful perusal to our readers.

A newspaper editor is in an unusually favorable position to know and interpret current events. It is, therefore, of more than usual interest that so many Canadian editors who are such keen students of public affairs, emphatically support the contention that a really representative government is now essential for a full out prosecution of the war.

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BUSINESS WANTS QUICK ACTION

All over Canada spring catalogues which should have been in the hands of printers months ago are being held up. And they will continue to be held up until definite rulings regarding certain prices can be obtained from the Wartime Prices and Trade Board. Moreover this is but one example of the delay attending the introduction of Canada's revolutionary attempt to halt inflation.

Canadian businessmen, of course, realize that all details of the price ceiling cannot be worked out overnight. There are almost endless complications. Some goods are made partly from imported goods, the cost of which is largely outside the jurisdiction of Canadian authorities. Some include a proportion of unceilinged farm raw material and other materials over which a ceiling has been established. Seasonal lines, for which there were no sales at all during the official base period last fall, further complicate the situation.

But members of the Price Board when considering the new policy must have realized that there would be difficulties and complications and they should have prepared themselves to solve these problems quickly.

Canadian businessmen may be a little sceptical as to how the price ceiling will finally work out but they are just as concerned as is the government over the menace of inflation. They are loyal to the new control experiment and are anxious to co-operate with Chairman Donald Gordon and his assistants in every possible way. But they want and are entitled to quick action. Losses are accumulating as a result of the delay in rendering decisions, and there is no hope whatever of any reimbursement.

There is a feeling that the staff of the Prices Board, drawn largely from the Civil Service and other people not directly connected with practical business, may not realize the vital importance of speed in getting decisions and revision.

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POOLING ALLIED RESOURCES

Of major importance in the personal conferences between Prime Minister Churchill and President Roosevelt starting this week in Washington will be the pooling of industrial war resources of all the allies against Naziism. The urgency is just as great as the co-ordination of grand strategy. In one case it is a pooling of materials, in the other a pooling of brains.

Canada has a special interest in this problem and Prime Minister King's prompt announcement that he will join the parley at Washington indicates that the importance of our interest is realized.

Much of Canada's war effort depends on American co-operation. It is no secret that we look to the States to supply all of our aircraft engines as well as a considerable proportion of our specialized equipment, and a substantial amount of steel and machine tools. We have, it is true, expanded to an amazing degree both the volume and range of our industrial production since the war, but the shutting off of key imports from the south just now would be a most serious blow.

Fortunately there is some compensating trade the other way. In the Dominion we have developed certain surplus war producing capacity and we are glad and willing to supply our new American ally with any lines we can spare and they can use in the common cause.

To speed this trade in war materials both the United States and Canada have set up various co-ordinating committees. The good work of these committees and the mutually co-operative attitude of Washington and Ottawa generally may well serve as a model for an extension of the plan to embrace all the Allies in the new world line-up against the totalitarian powers.

Might Write Off Britain's Credit Purchases Here

New Financial Arrangement Between Canada and U. K. Under Discussion Weeks Prior to Washington Conference

By WILFRID SANDERS

OTTAWA.—Pooling of the entire Canada-United Kingdom war effort and the disposition of nearly $2 billions of unpaid sterling balances held by Canada may emerge as this country's major contribution to the new inter-allied agreements now crystallizing in Washington and Ottawa.

It is known that Canada and Britain are nearing the end of discussions looking to settlement of the whole question of war costs between those two countries.

With an estimated $900 millions provided in the current fiscal year to cover British war expenditures in Canada, the cumulative total of such sterling accounts reaches about $1.8 billion.

Importance of finding a definite policy to cope with this amount can be seen when it is realized that this year's sum of $900 millions represents an amount over 61% as great as the entire direct war expenditures of this country.

Now tied in with the wider inter-allied Washington conference, it is expected that a new fiscal relationship between Britain and the senior Dominion will be a major element in the war structure now being developed.

When the new agreement will be completed is a matter of considerable speculation but some "groundlaying" for the historic Washington conference now in progress has apparently been secretly done and the Canadian Cabinet formerly sharply divided in opinion, is understood now to have reached some degree of unanimity.

During the present fiscal year, an estimated $900 millions (Canadian) will have been provided by the Dominion to enable Great Britain to purchase foodstuffs, raw materials, and munitions of war in Canada.

Actual purchases are expected to total $1,150 millions, but of this amount about $250 millions is expected to be taken care of by repatriation of Canadian securities in Britain, leaving the $900 millions balance.

Wipe Slate Clean?

The Financial Post understands that up until quite recently, the Canadian government was divided in its opinion as to what disposition should be made of this sterling balance. At least a few members of the Cabinet felt that this balance should be allowed to accumulate as a Canadian credit against British account, and leave settlement until the war was over.

The dramatic events of the past few weeks, accentuating, as they have, the general democratic emergency, have apparently pushed such an opinion into the remote background.

As a result, there is now apparent a fair unanimity of thought, with the generally accepted conclusion that it is doubtful if Britain's debit on Canada's books—and the amount will naturally grow as the war proceeds—will ever be liqui-

(Continued on page 2, col. 7)

Montreal Power Refunds Notes

From Our Own Correspondent

MONTREAL. — Montreal, Light, Heat & Power has made application to Quebec Public Service Board for authority to issue not exceeding $14,910,200 domestic pay 3½% first mortgage bonds to be dated Jan. 1, 1942, and to mature July 1, 1961.

Purpose of the issue is to refund the existing 3% convertible notes of the company which mature in 1949 and which are outstanding in an amount of $14,910,200. The refunding is to be effected by exchange of the notes into the proposed 3½% bonds.

National Bank Assets Higher

Assets at a new high record, and increased loans and deposits are features of the annual statement of the Banque Canadienne Nationale for the year ended Nov. 30. Net profits for the year at $811,351 were very slightly changed from the $812,588 a year ago.

The increase in total assets was $12.5 millions, bringing the total to $171.6 millions. Included in this total were cash assets of $27.9 millions about $1.8 million higher than a year ago. Total quick assets at $106 millions were approximately $15 millions higher and equal to 66.80% of liabilities to the public compared with 62.36% a year ago.

Current loans and discounts were almost $400,000 higher during the year, while investments rose almost $14 millions. The balance at credit of profit and loss carried forward was $252,389.

Inter-Allied Council May End Lease-Lend

Canada-U. S. Relationship to Continue on Present Basis — All War Resources Pooled in the Common Effort

From Our Own Correspondent

WASHINGTON.—Now taking form at the historic allied meeting is a new all-out war plan which is expected to end the Lease-Lend system, pool the allied war resources and allocate them to the fighting or production fronts where they can do the most good without reference to international boundaries.

Where Canada fits into the new picture is still subject for conjecture. But the general lines being drawn up indicate that Canadian war plants will receive scarce machine tools or vital materials on the same basis as U.S. plants—judged solely on their ability to get the greatest amount of production with the aid of the scarce supplies.

Canada's financial arrangements will probably continue on the same basis of close co-operation with the U. S. as has hitherto applied, it is reliably reported here.

No hints on future gold policy have yet been made by the U.S. Treasury, but it is expected that the gold-purchase will continue undisturbed.

It is pointed out that the United States now virtually supports the purchasing power of many Latin-American nations, and would consequently be slow to remove any props from Canada's buying ability by hitting gold. If any change in the general gold policy is made, it is expected that a separate policy will be adopted for Canada. President Roosevelt's personal friendliness toward the Dominion is offered as additional evidence in favor of a continuation of current relationships.

Inter-Allied Council

Machinery of the new war setup will probably involve some form of inter-allied war council, a sort of super-priorities board which will decide on the use and destination of all essential supplies. Each front, and each phase of the production effort, regardless of nationality, will be awarded materials in order of its particular importance to the total effort and the importance of the particular weapon or material to the front concerned.

In the process, it is expected that all essential raw material stockpiles will be frozen. Where the materials are owned by strong industrial groups, they will be left with their present owners and distributed according to the decisions of the allied council, as in the case of rubber. Where the materials are more scattered, they will likely be requisitioned and paid for, later distributed by the government. Further imports of vital materials will probably be handled entirely by the government. In effect, this will mean rationing at the source of supply.

The new streamlining of the war machinery will render many of the present functions of the various allied missions now in Washington superfluous.

Winners Are Announced In Insurance Contest

Following are winners in The Financial Post's Life Insurance Contest:

J. COSTIGANE, Toronto

Prize of $100 as winner of the $50 prize for best of all papers submitted and winner of $50 prize for best paper on Problem One: "The young unmarried businessman with total income between $1,500 and $2,000 a year and with excellent prospects."

A. E. RUNDLE, Toronto

Prize of $50 for best paper on Problem Two: "The junior executive, total income $3,000 to $5,000 a year, 30 to 35 years of age."

MELFORT L. ASHDOWN, Toronto

Prize of $50 for the best paper on Problem Three: "The man who owns his own business, or is a senior executive in a business in which he has a substantial interest."

MISS ISABEL L. WEBSTER, Hamilton

Winner of $50 for best paper on Problem Four: "A single business woman, age around 30, now making $100 a month with prospects of some increases."

Papers selected by the final judges for Honorable Mention:

Problem One (See above): R. F. MINDELL, Winnipeg; GEORGE H. BAILEY, Kingston.

Problem Two: R. K. CROUCH, Toronto; A. CARLTON PARK, Hamilton.

Problem Three: MONTAGUE RAISMAN, Toronto; A. C. DAND, Toronto.

Problem Four: MORRIS COOPER, Toronto; S. GLASS, Toronto.

Mr. Costigane's article appears in this issue of The Financial Post. Other prize-winning and some of the honorable mention papers will appear in later issues.

Gardiner Grain Speech Starts Price Rise Talk

From Our Own Correspondent

WINNIPEG.—Agriculture Minister James G. Gardiner's suggestion in Edmonton last week that the 1942-43 crop year might bring the farmer higher wheat prices has caused considerable speculation in grain circles.

Although the suggestion was hedged on the basis of deliveries being limited to quantities grown on 1941's reduced acreage, the fact that it was offered, and that rumors of wheat shipments to Russia are on the increase have brought a flood of suggestions as to the probable government price.

The announcement lacked the emphasis which would have been expected if there were any thought of making the basic wheat board initial price $1 per bushel, instead of the present 70 cent basis.

The next lower price which suggests itself is 87½ cents per bushel, simply because that was the initial price established when the Canadian Wheat Board was first put into operation, and one which was guaranteed to western farmers in three successive years, by two governments of different political complexion. There could be claimed for it, therefore, some recognition as a basic price which in previous needs had been recognized by the government as necessary to maintain western agriculture.

Another possible price is 80 cents per bushel, which in one year was the basic wheat board price. Official recognition for such a level is to be found in the Prairie Farm Assistance Act.

Editors Endorse Wider Government

Emphatic support for a truly representative government to meet the present war emergency, comes from Canadian editors right across the country.

Results of a special telegraph survey by The Financial Post this week are published on page 13.

The editors queried were chosen without regard to party or other affiliations.

They were asked:

Do you favor, under present conditions, union government that would be truly representative of every major political party and every major interest?

More of these replies will appear in the next issue.

J. COSTIGANE

Ottawa Winner On Tax Issue

From Our Own Correspondent

OTTAWA.—Although the official announcement on the tax conference between Dominion and provincial representatives contained few details, it is understood that opposition of the Ontario delegation melted under pressure from the Dominion.

Premier Mitchell F. Hepburn was absent and Ontario's delegation is reliably reported to have made little headway with its claim that the corporation tax transfer to the Dominion start with next fiscal year rather than the current year.

It is thought Ontario's stand was conceived largely as a strategic bargaining move, and that it succeeded to the extent that Ottawa has promised to assist Ontario in straightening out the problem of corporation taxes already collected by that province for the current year.

Life Insurance Contest Shows Value To Public

Judges of The Financial Post Insurance Contest have finished their work and the names of the winners are announced in this issue. In addition to the four prize winners, including the grand prize winner for the best article on any one of the four problems, eight articles, two in each salary group were selected by the judges as deserving honorable mention.

All who took part in marking the papers, including the outstanding authorities in the world of insurance who were final judges agreed the contest has brought out a great deal of useful information regarding the place of life insurance in the affairs of the average individual.

Papers submitted by contestants were assigned a number and any indication of name, place of residence or company affiliation was removed by a secretary immediately upon arrival in The Financial Post office. No judge could ascertain any clue as to the author of any paper.

Winners were determined by averaging the marks awarded by the individual judges, and the figures for the winners give them a decided margin.

In announcing the contest, it was stated entries would be judged for the soundness of the programme for the individual, for their general interest and value to everybody in the broad income group discussed.

With this in view, judges awarded marks under two general headings:

1. Readability, and general interest; clarity, logic of argument and the general financial soundness of the views expressed.

2. The insurance programme:

(a) How it would meet the immediate needs of the individual, including protection for dependents, need of cash, etc.

(b) How it would meet his future needs including retirement and emergencies such as sickness, etc.

(c) Suitability for the individual outlined.

Contest entries were to be confined to 2,000 words. With 251 entries, there were approximately 502,000 words to read—more than four good-sized novels.

Contestants were requested not to mention names of any company nor special policies sold only by a limited number of companies.

Bevin Coat-tails Yanked—He Scorns Formalities

By FLOYD S. CHALMERS
Editor, The Financial Post

LONDON.—Introducing a Bill in the British House is a procedure surrounded with ancient and mystical tradition.

Mr. Bevin did not know, or had forgotten, the technique, when he rose recently to introduce Britain's National Mobilization Bill.

He started to read the title of the Bill. There was a great tugging at his coat-tails. Sundry clerks and pages rushed to whisper in his ear. Embarrassed, but smiling, he started over again on the right track. He walked to the end of the house opposite Mr. Speaker, bowed low, while the House cheered, took six paces forward and paused trying to remember what to do next. Several members called out "Bow." Bevin bowed, much like a flustered school boy and took six further paces forward. The house by now was in ecstasies of glee and everyone shouted together "Bow." Grinning, Bevin bowed again and started on his third flight of six steps. But, pudgy as he is, his paces had been too long and he bumped into the clerk's table. While Mr. Speaker, poker-faced, remained unmoved he read his Bill; the sergeant-at-arms removed the mace and the members filed out. I remained talking to a couple of friends when the chief usher, in white tails, white tie and gold chain stepped up "Do you mind going outside?" se said, "I can't go until you go and I'm late already for my fire service duties."

That's Britain; a gold-chained House of Commons official all day becomes a blue-serged auxiliary fireman at night.

More Taxes On Income Likely

Price Ceiling System Costs May Be High

By STAFF WRITER

OTTAWA.—If there is anyone here who has attempted an estimate of what the treasury will have to pay out in the form of subsidies, or will lose by way of tax exemptions, in supporting the Wartime Prices and Trade Board, he has not been unearthed.

So completely have the shadows of war blacked out ordinary procedure, that the government has embarked on a programme costing millions of dollars, with no estimate of what the cost will be, except that it will be great.

Biggest cost in the price ceiling programme lies in the avowed policy of subsidizing importers who face rising costs abroad, and a fixed selling price at home. Such importers have been assured they will have these losses paid for, and the government is understood to have already indicated a generous treatment in such cases, although only a few weeks have elapsed since the price ceiling went into effect.

The attitude of finance officials is that since no one knows how far prices will rise abroad, or how successful selective price controls are in, say, United States, it follows that any estimate of the amount necessary to re-imburse Canadian importers is utterly impossible. Not until afterward will it be possible to sit down and estimate what the policy has cost.

Whatever the cost of the anti-inflation drive may be, it will be worth it, if inflation and its resultant chaos is prevented, it is widely felt.

The estimate referred to in a House address of Hon. J. L. Ilsley, Minister of Finance, is being widely used to support this claim. Mr. Ilsley estimated that every rise of 20 or 25% in the wholesale price levels, cost the government about $200 millions extra in its enormous war purchases. Since the war began, the wholesale price level has risen about 28%, according to the Bank of Canada. On this basis, another rise of 10% in the price index would

(Continued on page 2, col 1)

This Insurance Plan Won Top Prize

Says Three Policies Serve Young Man's Need

By J. COSTIGANE
Field Service Department
Confederation Life Association

PARTICULARS OF PROSPECTIVE PURCHASER

(a) Age 25; unmarried; income $2,000 per annum; no insurance at present; must provide for his own retirement; health good and engaged in a standard occupation; promising prospects for advancement.

TYPE OF INSURANCE ESTATE RECOMMENDED

A complete insurance estate could be created for this young man by using the following three policies:

(1) A life policy with premiums ceasing at age 65 for $1,000. This policy would include the double indemnity accident benefit and also the total disability waiver of premium benefit. The total annual premium for this plan, at age 25, is $18.48.

(2) A 30-year endowment policy for $1,000 with total disability waiver of premium benefit and double indemnity benefit. Total annual premium, at age 25, is $28.

(3) An insurance pension plan maturing at age 60 for $5,000. This policy guarantees the choice of three different types of life annuities commencing at age 60 or a cash payment. The maximum life income is $50 per month and the cash payment guaranteed is $7,725.

The policy also provides that if the insured does not require the income or the cash value at age 60, he may defer payment and receive a larger income or cash payment at the end of any year up to age 65. For example, if he waits until age 65, he will be entitled to a maximum life income of $68 per month, or a cash payment of $8,955. The total disability waiver of premium and double indemnity benefits would also be added to this policy. The total annual premium at age 25 is $162.15.

These three policies would provide a total insurance coverage of $7,000, or $14,000 in the event of accidental death.

The total annual premium for all three would be $208.52, or slightly more than 10% of the young man's income.

PURPOSE OF EACH POLICY

(1) The life policy is to provide permanent protection.

(2) The endowment policy will furnish sufficient cash at the end of 30 years to pay all the remaining premiums on both the life policy and the insurance pension. This policy therefore guarantees that the young man will have no further premiums to pay after he attains age 55.

(3) The insurance pension is primarily intended to provide a life income after age 60.

REASONS FOR THIS COMBINATION

In building an insurance estate, the young man must keep in mind three main points.

The plan or plans that he may choose must be flexible;

Must provide protection for his dependents either of the present or the future;

Must guarantee him a retirement income.

Let us deal first with the flexibility. Each policy is a standard plan of insurance containing paid-up and cash surrender value privileges. Therefore, if at any time after the third year the purchaser wishes to borrow, he may do so, or if at any time he finds it absolutely impossible to make any further payments, then he may select either reduced paid-up policies or the cash surrender values, according to his needs.

The young man whom we have described has no dependants at the present time, but when he is married the plan will provide his wife with $7,000 protection, or $14,000 in the event of his being killed in an accident. In the meantime, until he is married, he can give his parents the benefit of this valuable protection.

Disability Provisions

If he becomes totally disabled at any time, all premiums falling due during disability will be waived and his retirement plan will be carried through to completion.

The life policy, paid-up at age 65, will provide him with $1,000 permanent protection after his retirement has taken place. He is therefore guaranteed that his last expenses will be taken care of in the event of his death after his retirement income has commenced.

In many cases a man's earning

(Continued on page 2, col. 2)

HAT NEWS FROM EATON'S

From England!

"TRESS" SILK TOPPERS

Convoyed from this famous English maker! "Tress" silk toppers, also collapsible opera hats, sizes 6⅝ to 7⅜. Still time to order for New Year's Eve.

Each **12.00**

Main Store—Main Floor

T. EATON Co. LIMITED TORONTO CANADA

The War And Business

Washington Conference

With Churchill's arrival on this continent war interest immediately switches to Washington, where conversations between the British and American chiefs have started. Presumably keynote of these talks will be co-ordination of allied supplies and strategy.

Canada, as one of the partners in the grand alliance against Hitler and his helpers, is naturally interested in general proceedings but this country has also a special interest in the pooling of war supplies. We already have a gentleman's agreement with the States whereby our huge aircraft industry is supplied with all engines and some instruments and our general war industry with some steel and other key materials.

In return we are exporting to the States surplus war equipment from our own factories, items like gun barrels, perhaps machine guns and some chemicals. Presumably Prime Minister King is joining the talks at Washington to make sure that this vital and mutually helpful trade continues between the two countries and also to determine where it can be expanded to include the other allies.

* * *

End of Bountiful Era

If, as some pessimists claim, this is going to be a ten years' war, then Canadians will look back on this Christmas as the end of the "good old days." Many consumer goods still plentiful at the end of the current year, are scheduled to completely disappear from production lines.

Children would be well advised to take much more than the usual care of the metal toys, tricycles, skates and similar things Santa Claus left under the tree this week. And their elders, too, might also find it worth while to pamper the family car and radio. Production of the latter is already sharply curtailed and is probably destined for further restriction as the war goes on.

Already the United States is talking of a complete ban on automobile production and Canadians can rest assured that if our big new ally decides on such a sweeping sacrifice, there is little else for us to do but follow.

* * *

Scrap For Scrapping

An old automobile will yield enough scrap to make a tank cannon and 25 will build the tank itself, F. B. Kilbourn, Steel Controller of the Department of Munitions and Supply, stated the other day in appealing to owners of motor vehicles which are antiquated and no longer fit for safe driving, to turn them in for scrap. Mr. Kilbourn also asked owners of automobile "graveyards" to speed up the stripping of all saleable parts from the old cars.

It is believed that close to 100,000 cars are scrapped in Canada annually and that thousands of these are piled up in "graveyards" where they remain for months until all still useful parts have been salvaged and sold.

* * *

More Cuts For Housewives

Another setback will be given the kitchen front next month with a further reduction in the output of refrigerators and washing machines. Starting Jan. 1, production will be limited to 60% of the monthly average made in 1940.

Only exception is hand washing machines with wooden tubs which have a 100% quota. If the monthly quota is not filled by the manufacturer the shortages may accrue and may be added to the quota in subsequent months. No restrictions are placed on making of parts intended for repair of existing units.

* * *

Million Feet a Day

Canada's 1941 consumption of lumber for direct war purposes was equivalent to 500 train loads of 35 cars each, it is officially estimated. Current government requirements of one kind or another are estimated at approximately a million feet per day.

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Bad News Before Good?

Whaley Eaton Service of Washington continues to be pessimistic concerning the short term view. The general military situation, it states, is very serious and there will be "bad news before there is good news."

According to this unusually well informed authority Hitler is merely shortening his lines in Russia so that he can and will attack somewhere else. A major drive is seen in prospect against the Caucasus, Gibraltar or Great Britain.

Whaley Eaton urges the immediate shifting of enough American air and naval power to the Pacific to interrupt Japanese transport routes, and the greatest emphasis on successful defense everywhere in the next few months.

Soo and W. C. R. To Settle Terms

Will Iron Out Operating Agreement Prior to W.C.R. Reorganization

From Our Own Correspondent

MONTREAL.—Representatives of security groups in the Minneapolis, St. Paul and Sault Ste. Marie Railway, known as "Soo," and the Wisconsin Central Railway, will be held shortly for the purpose of settling terms of the modified operating agreement, as well as claims and counterclaims of the two roads, now in reorganization proceedings. Such an agreement will pave the way for formulation of a receivership plan for Wisconsin Central.

Under operating agreements, effective in July, 1937, the Soo operates Wisconsin Central for the account of the latter's receiver. An accounting report ordered by the Federal District Court last year, to show the relative expenses of the Wisconsin and the Soo, indicated an inequitably low return to the Wisconsin Central. According to financial analysts, "fair" adjustment of the agreement should increase Wisconsin's earnings between $250,000 and $500,000 a year.

Current Operating Data

For the first ten months of 1941, Edgar A. Whitman, receiver for the Wisconsin Central, reported net income, after interest accrued and actually paid, of $2,501,005, compared with $1,939,115 for the same period last year. Excluding the amount owed by the "Soo" for October operations, cash amounted to $4,993,817 as of Nov. 11 last. On Dec. 31, 1940, cash totalled $3,162,638, while in 1934 and 1935 the cash account was less than $42,600.

The current endeavor to obtain another interim payment on the $20,197,000 4% first general mortgage bonds is based on the stronger cash position, as well as the improvement in earnings. First payment made since the road went into receivership in 1932 was on account of the Jan. 1, 1933, coupon, which was paid by court order, almost a year ago, while the second semi-annual coupon was paid July 1, 1941.

Quebec Airways Ltd. Opens New Line

From Our Own Correspondent

MONTREAL. — Quebec Airways Ltd., subsidiary of Canadian Pacific Railway, has started a new air service between Montreal, Three Rivers and Quebec. Planes will operate daily, except Sunday, between the three cities and connections will be made with airlines arriving in Montreal from Boston, New York, Toronto and Ottawa.

AIDS VICTORY LOAN

H. H. Rimmer, advertising manager of Canadian General Electric Co., has been loaned by his company to assist in handling public relations for the forthcoming Victory Loan.

Price Changes Mostly Small

With price ceilings set on almost all commodities in Canada, fluctuations in the Canadian markets have been small.

Of spot commodity indices two were slightly higher and one lower. Dow Jones future index declined fractionally.

	Latest week	Previous week	Same week last yr
Cattle	$9.60	$9.75	$9.25
Hogs	15.00	14.85	11.00
Copper, lb.	.12	.12	.12
Cotton, lb.	.1808	.1803	.1032
Sugar, raw, lb.	.0350	.0350	.0293
Wheat, Man. (bu.)	.73¼	.73¾	.72⅞
Coffee, lb	.09⅛	.09⅝	.05¼
Hides	.15½	.15½	.13¼
Weekly Indices			
Canada, D.B.S.	93.5	93.6	84.3
Do., Wood, Gundy	75.0	74.9	67.2
U. S. Labor	93.1	92.2	79.7
Dow Jones (future)	83.65	83.76	56.07
Fishers	99.2	99.0	85.0
Monthly Indices			
Canada (D.B.S.):			
Retail (Nov.)*	116.3	115.5	107.8
W'sale. (Oct.)	93.8	93.2	83.3
U. S. (Sept.)	91.8	90.3	78.0
Gt. Brit. (Sept.)	154.3	153.2	141.1

Note:—The base of indices is that 1926 equals 100 *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

HOLD HIGH THE TORCH OF FREEDOM

Recruiting Patriotic Dollars At 500 Canadian Stations

Every branch of the Bank is a "recruiting station" for Canadian dollars whose owners wish to serve their country.

At any one of our 500 Canadian branches you can buy war savings stamps and certificates, and obtain full information regarding war loans.

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BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service... *the Outcome of 124 Years' Successful Operation*

A151

Might Write Off Great Britain's Credit Purchases Here

(Continued from page 1)

dated in cold cash, and that in the interests of all parties concerned with the primary aim of defeating Hitlerism, it would be far better to wipe the slate clean and do it now.

Answer U. S. Critics

Such a step would remove any possibility of an unjust "Cash on the Barrel-head" stigma, bring Canadian aid to Britain to a basis similar to that of U. S. Lease-Lend. Counter-argument is that Lease-Lend did not commence until Britain had liquidated most of her U. S. investments. She still has an estimated total of $2 billions invested in Canada which has not been liquidated.

Agreement on the principle of doing something about the sterling balance other than simply allowing it to accumulate, does not end the matter. There remain other points at issue.

One of these is whether Canada should take the initiative in the matter, or whether it should be left to become part of the gigantic "deal" between all the allies.

Other points at issue concern how it is to be done. One suggestion, understood to have received serious consideration, is that Canada should undertake the cost of maintaining the R.C.A.F. in England, just as she now pays the cost of the Canadian Corps. It is estimated that such an undertaking would cut the $900 millions sterling balance by possibly a third.

How this balance is now incorporated in Canada's general war requirements is shown in the following table:

Major Cash War Requirements
(Millions of dollars)

	Last year before war	First year of war	Second year of war	Est. for current fiscal year
Direct war expenditure	36	325	1,034	1,450
Provision of Canadian dollars to cover British war expenditures in Canada by:				
(a) Accum. of sterling balances	..	19	611	
(b) Redemption in advance of Dom. and guar. C.N.R. bonds payable in London	..	146	124	
Total requirements	36	490	1,769	2,350

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Peterborough, Ont.	Dec.	Fairclough & Co.	3%	1942-51	$95,000	101.38	.....
			3¼%	1942-56	50,000	102.69	.....
Richmond Hill, Ont.	Dec.	Dyment, Anderson & Co.	3½%	1942-51	10,000	100.23	.....
Timmins, Ont.	Dec.	Harris, MacKeen, Goss & Co. (privately)	4%	1942-51	16,234	.....	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Grey Sisters of the Immaculate Conception	Dec.	Harris, MacKeen, Goss & Co. (privately)	4%	1942-51	$119,000	.....	.....

Investor's Index

Dec. 27, 1941

Atlas Steel	2	Dom. Glass	12
Abitibi	12	Hinde & Dauch	17
B. C. Packers	2	Int. Paint (Can.)	2
Bk. of Montreal	11	Inter. Paper	17
Canada Dry	12	Lake Sulphite	2
Can. Steamship	12	M. & St. Paul R.	2
Candn. Car	4	Mod. Containers	7
Can. Gen. Elec.	12	Morrison Brass	5
Banq. Canad.	1	Trinity Bldg.	12
Celanese Corp.	17	Mtl. L. H. & Pr.	1
Dist. Seagrams	5		

MINES AND OILS

Admiral Oils	23	Gunnar	23
Arntfield	23	Inter. Nickel	22
Bayonne Consol.	23	Lunward	23
Berens River	23	Macassa	23
Bonetal	22	McMarmac	23
Broulan	23	Mobirk Beryl	22
Bulolo	22	Mosher	23
Cournor	22	Paymaster	23
Falconbridge	22	Relief Arlington	22
Goodrock	23	Thompson-Lund.	23
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Wheat Quotations 21

More Income Taxes Likely

(Continued from page 1)

have cost the government additional $100 millions.

Since the administration appears convinced that a serious, perhaps wild inflation was imminent, and could only be choked off by an overall price ceiling, they have little hesitation in believing that the most gloomy estimates of what the price ceiling will cost the country would represent a saving in the long run.

Officials here so far have no definite proposals for "making good" the additional drain on the treasury which will result from subsidies to importers, primary producers, etc. embodied in the price policy.

There will, of course, be additional taxes.

In this regard it is apparent that tax trends will now be towards additional taxes on income, rather than on commodities. However, with so many normally legitimate tax sources cut off by the fixed price policy, it is not expected that additional taxes to fully cover the cost of the policy can be raised, and that a large part of it will be capitalized.

Lake Sulphite Calls Meeting

From Our Own Correspondent

MONTREAL. — Lake Sulphite Pulp Co. secured and unsecured creditors have been notified that a special meeting will be held in Toronto on Jan. 6 to consider the financial position of the company.

One of the principal objects of the meeting is to consider the offer made by Brompton Pulp & Paper Co. for purchase of the assets and undertakings of the company at a reputed price of $1 million.

The Brompton offer amounts to $1 million. Of this sum, $50,000 in cash will be available for unsecured creditors, equivalent to about 10 cents on the dollar of their claims.

A total of $500,000 of second mortgage debentures will go to secured creditors. This includes claims of $1¼ million of noteholders and $350,000 of lien holders and means they will get about 30 cents on the dollar.

The balance of $450,000 will be used to cover obligations of the receiver and special claims imposed under terms of the offer.

Price Bros. & Co. Lets Contract for Plant

From Our Own Correspondent

MONTREAL.—Price Bros. & Co. has awarded a general contract to Foundation Co. of Canada for a new story addition to its mill at Kenogami, estimated to cost close to $160,000 with equipment. Work is scheduled to be placed under way at once.

B. C. Packers Improves

With this season's salmon pack approximately 55% heavier than a year ago, B.C. Packers is expected to be able to make an appreciably improved showing in the current fiscal year. In the year ended Apr. 30, 1941, the company reported a net profit of $1.56 a common share as compared with $2.87 in the previous fiscal year. Last year's drop was particularly attributed to failure of the pink salmon run and decrease in the herring catch, none of which holds for the present year.

The best in volume for years, here is how the B.C. salmon pack ran by classes:

	1941	1940
	Cases	
Sockeye	455,112	362,758
Springs	50,365	17,268
Steelheads	3,435	1,007
Bluebacks	30,011	23,196
Cohoes	360,615	193,531
Pinks	427,854	213,320
Chums	918,323	634,021
Total	2,245,715	1,445,101

About two thirds of the British Columbia 1941 salmon pack is being purchased by the British Ministry of Foods.

In addition to the sharp improvement in the salmon pack, B.C. Packers should also benefit from conditions in the herring trade. Some time ago the U. K. Government arranged to purchase 1.6 million cases of canned herring, approximately two and a half times the 1940 pack.

To date there are about 600,000 cases of canned herring packed and although there is still another million to go, the British Government has intimated that it would like to order another 100,000 cases in tomato sauce, if the sauce is available in Canada.

In order to assist the industry in filling the British canned herring order, the Chief Supervisor of Fisheries early this month increased the herring quota for the lower east coast of Vancouver Island from 30,000 to 35,000 tons. The fish were so plentiful that the additional quota was quickly made up and the fishermen asked for a further increase of an additional 7,000 tons. Successful catches of herring are also reported from other points on the coast with the catch being earmarked for canning for overseas consumption.

Company Reports

Inter. Paints (Canada)

Record gross profits are reported by International Paints (Canada) Ltd., covering the year ended Sept. 30, 1941. After providing for greatly increased taxes and special reserves, net profit available on the capital stock at $52,500 was the same as reported in the preceding year. This is equivalent to $1.25 per share on the preferred in each year.

Consolidated operating profit last year totalled $405,485, as against $269,417 in the preceding year. After adding other income and deducting ranking charges, there was a balance of $322,892, compared with $197,717 in the 1940 fiscal year.

Income and Surplus Account
Years Ended Sept. 30

	1941	1940
	$	$
Gross income	406,029	270,345
Less: Bond interest	3,078	4,784
Directors' fees	1,770	2,000
Exec. salaries	28,551	27,902
Legal fees	448	303
Depreciation	49,280	37,640
Prov. for taxes	184,424	86,188
Gen. reserve	32,662	19,772
Bond redemption	9,306	30,457
Inventory deprec.	35,000	......
Bad debt res.	9,000	8,800
Net profit	52,500	52,500
Pfd. dividends	52,490	52,490
Surplus	10	10
Previous surplus	64,845	64,900
Profit on bonds	2,380	2,380
Less: Loss on assets	2,827	2,022
Tax adjustment	191	423
Surplus forward	64,215	64,845
Working Capital		
	$	$
Current assets	1,162,061	872,396
Current liabilities	436,397	214,640
Working capital	725,664	657,756

Atlas Steels

Operations of Atlas Steels Ltd., Welland, Ont., for the year ended Sept. 30, 1941, reflect the effect of wartime boost in operations. A year ago it was stated that the company had agreed with the Dominion Government to make extensive plant additions under an agreement for a wholly owned Crown company, Atlas Plant Extension Ltd., to advance the capital with earnings to be allocated between Atlas Plant Extension and Atlas Steels. This year, R. H. Davis, president, reports good progress in completing this building. Provision to the amount of $1,450,000 is made in the Sept. 30, 1941, balance sheet for completion of this extension.

Atlas Plant Extension made two loans to Atlas Steels for capital assistance and working capital. During the past year $1,957,116 has been set aside out of earnings toward repayment of the capital assistance and allocation of earnings. When the plant is completed, the greater portion of this amount will be applied against repayment of the capital loan.

Operations last year were at capacity and sales were highest in the company's history, making necessary larger inventories and receivables. Increase in sales covered the company's entire line, principal items being high grade steels, all grades of tool steels, mining steels, stainless steels, machinery steels and other specialty steels including the manufacture of ordnance material. Export has had to be curtailed but Mr. Davis states the company is endeavoring to maintain its present contacts and establish new ones. During the past year, number of employees has increased from 600 to more than 1,600. It has been necessary to carry additional staff in order to train men for the position created when new equipment is placed in operation.

Income and Surplus Account

	Year ended Sept. 30 1941	9 Mos. ended Sept. 30 1940
	$	$
Operating profit	2,859,023	1,011,829
Leess: Exec. salaries	120,000	90,000
Depreciation	200,000	75,000
Special reserve*	1,957,116	......
Legal expenses	6,327	3,550
Directors' fees	580	380
Income taxes	155,250	450,000
Net profit	519,750	392,899
Less dividends:		
1st preferred	†11,812	15,750
2nd preferred	†10,500	14,000
Common	†75,098	100,131
Surplus for year	422,340	263,018
Add: Prev. surplus	1,240,106	977,088
Less: Loss on equip.	545	......
Earned surplus fwd.	1,661,900	1,240,106

*Special reserve against plant extension and allocation of earnings to Atlas Plant Extension Ltd. under terms of contract dated Oct. 1, 1940.

†Dividends for first quarter charged in accounts of the previous period.

Earned per share:		
Common	$2.94	$2.17
Paid	0.60	0.45
Shares O/s:		
1st pref., $100 par	2,250	2,250
2nd pref., $100 par	2,000	2,000
Common, n.p.v.	166,885	166,885
Working Capital		
	$	$
Current assets	4,545,068	1,986,190
Current liabilities	3,267,186	1,112,362
Working capital	1,277,882	873,828
Balance Sheet Changes	1941	1940
	$	$
Cash	39,837	610
Accounts receivable	1,351,918	860,717
Less: Reserve	40,000	25,000
Inventories:		
Finished steel	166,562	232,256
Steel in process	1,213,889	526,136
Raw materials	1,563,036	318,064
Factory supplies	249,826	73,407
	3,193,313	1,149,864
Fixed assets:		
Buildings	411,011	389,745
Machinery & equip.	1,136,823	1,018,477
Plant extension	5,537,855	82,979
Less: Depreciation	760,490	564,175
	6,325,198	977,110
Total assets	10,986,040	2,967,518
Bank loan	......	217,988
Accounts payable	17,394	400,998
Due Atlas Plant Exten.:		
Current: Work. cap.	300,000	......
Repayment plant extension loan due Dec. 1/41 and allocation curr. year's earnings	1,957,116	......
Deferred loan	3,691,903	......
Spec. res. against plant extension	1,750,000	......

HEADS G. M. SALES

E. J. Umphrey, new head of the Canadian sales division for General Motors. He succeeds J. E. Johnson, who takes a new position with the parent company in Detroit. Mr. Umphrey has been assistant to Mr. Johnson.

This Insurance Plan Won Top Contest Prize

(Continued from page 1)

ability is seriously impaired between the ages of 55 and 60 and to prevent any chance of this eventuality interfering with the retirement programme, a 30-year endowment policy has been included. This policy will mature at age 55 and if the sum assured is left on deposit it will be sufficient to pay the remaining premiums on both the life policy and the insurance pension. If on the other hand the purchaser is capable of continuing his premiums until age 60, then this endowment may be used to purchase an additional income or held as a cash reserve.

Can Increase Income

It may be that when the young man attains age 60 he will still be earning a good living and will wish to postpone his retirement until age 65. This can easily be done because the insurance pension policy guarantees a larger income, or cash value, for each year the pension is deferred after age 60 and up to age 65.

The young man with a bright future will undoubtedly receive salary increases and will probably wish to increase his insurance estate by saving approximately 10% of each raise. The plan outlined above may be enlarged by using the simple formula of buying $1,000 endowment insurance maturing at age 55 for each $5,000 of insurance pension maturing at age 60.

It might be pointed out that the insurance pension plan can be gradually increased by purchasing units of $1,000 each, which give a monthly income of $10 per month at age 60. If the young man wishes to add further permanent protection, he may do so at the rate of $1,000 life to age 65 for each $1,000 of endowment at age 55.

SAVING PLUS PROTECTION

The combination of these three policies offers the young man a definite plan both for savings and protection that can be carried through to retirement. The plan can be expanded in later years according to a definite formula without disturbing the original intention of the purchaser to provide a retirement income for himself at either age 60 or 65 and to have all premiums cease at age 55.

Every young man has a certain antipathy to committing himself to make payments to an age as far advanced as 60 or 65. This plan eliminates that objection by making it possible to have premiums cease at age 55. However, it also has the advantage of providing the maximum income when it is most needed, namely at age 60 or 65. It is also for this reason that a smaller premium is paid than would be the case if the income were to start at age 55 when the purchaser will, in all likelihood, still be earning his own living.

Easy to Understand

This programme is very simple for the young man to understand because it is composed of only three different types of policies and each policy is performing a function that it was originally intended for.

The young man with this programme in force has absolutely no thought in mind that he has to die to win. He knows that the primary function of the plan is to provide him with a retirement income, but he also knows that, in the event of his death, his beneficiary will be looked after and finally he is assured that, if he becomes totally disabled, it will not interfere either with the protection to his beneficiary, or with his retirement plans.

You will see from the foregoing that this plan fully covers the three main points which a young man requires in an insurance programme, namely it is flexible enough to cover every eventuality, provides protection for both the present and the future and also guarantees a retirement income.

Here is a partial list of war materials produced for our own forces and for Britain, Australia, New Zealand, India and South Africa since the start of the war:

5,500,000 yds. camouflaged anti-gas cloth
360,000 lbs. camouflage netting
650,000 yds. cotton and wool shirting
25,950,000 yds. drill fabrics for uniforms, etc.
2,000,000 yds. duck fabrics for bandoliers
7,050,000 yds. duck fabrics for gun covers, kit bags, tents, etc.
800,000 yds. duck fabrics for uniforms
15,000 yds. (per week) fabric for aircraft
50,000 yds. gas-mask cloth
1,000,000 yds. ground sheet fabrics
800,000 yds. powder bag fabric
1,500,000 yds. sheeting
11,000,000 lbs. tire fabrics for mechanized equipment
950,000 towels
6,750,000 lbs. yarn for web equipment

DOMINION TEXTILE COMPANY, LIMITED
THE MONTREAL COTTONS LIMITED
DRUMMONDVILLE COTTON CO. LIMITED

Please List Briefly—The Financial Post Asked Canadians This Week—

The Five Most Important Steps Canadians Must Take Next Year to Speed Victory

Max W. Ball

President, Abasand Oils Ltd., Edmonton, and well-known North American oil authority, author of "This Fascinating Oil Business."

1.—Subordinate all personal interests to winning the war.

2.—Forget creed, social origin, class consciousness, social status and partizanship in unity of effort.

3.—Work harder and spend less.

4.—Demand and accept full selective use of man power at home and abroad.

5.—Get earnest about the business.

If we forego voluntarily what the enemy peoples have foregone, if we willingly work as hard, dare as much and sacrifice as much as they are forced to do, we shall win the war. If we do not, we shall neither win nor deserve to.

* * *

W. A. Buchanan

Member, Canadian Senate, and publisher, The Herald, Lethbridge, Alta.

1.—National selective service in its broadest sense to step up whole war effort.

2.—Increased production of war essentials including agricultural products.

3.—Price control to prevent inflation.

4.—Curtailment of unessential spending by junior governments, provincial and municipal, and the public.

5.—Building of public morale for long struggle ahead and maintenance of good understanding between all parts of the country.

* * *

W. L. Clarke

Editor and columnist, The Windsor Star, Windsor.

Five most important words are "it is still our war." If we keep that in mind, the important steps will follow automatically. There are some Canadians who think that the Americans will do it all, now that the United States is officially in the war against our enemies. Let everyone in Canada remember that it is still our war and we have to help win it.

Instead of too little, too late, we must have enough and on time. It would be better to be caught oversupplied at the end of the war than to lose the war by not having enough men and materials to win.

* * *

Sir Henry Drayton

Former Dominion Minister of Finance and prominent in financial and industrial circles of Toronto.

1.—Compulsory selective service in every field of war effort. Wealth now is and can be perhaps further taken by taxation without limiting war production which today is so imperatively necessary. Unless compulsory selective service is made applicable to service overseas wherever the enemy is it is quite ineffective elsewhere. That done however, disposition to other services would largely follow as a matter of course but should be supervised.

2.—A government composed of all parties definitely and determinedly in favor of war effort in order effectively to carry out number one and fairly administer all war measures.

3.—A united Canada behind such a government.

* * *

Rabbi Maurice Eisendrath

Holy Blossom Synagogue, Toronto, well-known lecturer on national affairs.

1.—Compulsory national service law not only for the battlefield but for industry and agriculture so that each will serve in the task for which he or she is best suited.

2.—An end to this demeaning begging for funds. When our boys gamble their lives against the possibility of no return whatsoever, those who stay behind must insist upon being taxed on an equitable sliding scale for every penny needed to finish the job.

3.—Canada as the linch-pin geographically, historically, ideologically, between west and east, must exert all pressure possible to meet the grand strategy of our foes with a grander strategy of our own, with a complete unification of our military plans on a world-wide scale.

4.—Take labor increasingly into our confidence. What was begun with the appointment of the new minister of labor must be followed through so that this time the masses may know that we mean business—and economics — when we speak of democracy.

5.—Hold before our people a vision and a programme of brave new world beyond the day of victory.

Even so practical a strategist as Captain Liddell Hart says, "A people with a faith—even a bad one—will triumph over a people with no faith at all." That is what Isiah meant when he warned, "If ye have no faith, yea verily, ye shall not prevail."

* * *

H. J. Mackin

President, Canadian Western Lumber Co., operator of one of the world's largest saw mills at Fraser Mills.

1.—Bring in selective service measures to ensure that all people are engaged in branch of war effort each can best serve.

2.—For duration, freeze present relationship between employer and employee; let neither take advantage of emergency.

3.—Adopt compulsory saving, if measures not taken to prevent wasteful spending for non-essentials which take labor, materials, money otherwise needed.

4.—Support fully the Red Cross and all service organizations engaged in war work to maintain morale.

5.—Stop any carping criticism of government and those chosen to carry out government policy. The latter have most information and generally are able and loyal.

Work and pray.

* * *

J. F. MacKay

President, J. F. MacKay Co., Ltd., Toronto, and Ontario Tobacco Plantations Ltd., a former business manager of the Toronto Globe.

I suggest the formation of one national patriotic organization of civilians, representative of every shade of political opinions officered by men and women of outstanding position and talent with local bodies formed in every community from hamlet to metropolis, to become responsible for:

1.—Recruiting men and women for all war services.

2.—The sale of Victory Bonds and war savings certificates.

3.—The enforcement of price and trade board regulations.

4.—The reception of our returned men.

5.—The elimination of querulous decisive controversies and the uniting of all our people and the provinces in one noble effort to win the war.

* * *

Rev. J. R. Mutchmor

Toronto.

Follow Churchill and form forthwith a national government to marshal Canadian man power for farm, factory and fighting forces.

Follow Churchill and appoint labor leaders, A.F. of L. and C.I.O. to Cabinet posts.

Follow the Australian plant committee plan to double war output by April 30th and thus break present steel bottleneck and step-up slumping coal and pig iron production.

Follow Britain and cut beverage alcohol production by half. Ban all liquor advertisements.

Follow Keynes compulsory saving plan. Reduce drastically the output of consumers' goods, increase taxes, compel all home-fronters to give everything in support of Canada's fighting men.

* * *

John Blue

Secretary manager, Edmonton Chamber of Commerce and western Canada pioneer.

1—I suggest compulsory military draft as necessary for both men and women and compulsory selective service in home war work to secure maximum production.

2—Taxation having reached the limit, would establish plan of compulsory saving for government loans.

3—Eliminate unnecessary packaging costs, limit advertising expense, and goodwill services.

4—Establish and extend government grades and standards for commodities and containers and collect and publish timely buying information to educate consumers.

5—Press for unification of war command, equalization of exchange reduction of tariffs for duration of war with objective of complete pooling allied war effort.

* * *

Roy Sales

Editor, The Renfrew Mercury, Renfrew, Ont.

1.—That Canadians must give more help to and less criticism of our governments.

2.—That Canadians must dedicate themselves to a more wholesome church life.

3.—That Canadians should refuse to permit talkers and writers to waste the time of the people.

4.—That Canada should have minimum work week of 48 hours for all.

5.—That Canada should curtail the use of all luxuries and prohibit all those luxuries which contain materials needed for war purposes.

* * *

Col. H. S. Tobin

Chairman, B. C. Division, Canadian Manufacturers' Association, managing director, Brewers & Distillers of Vancouver Ltd.

1.—Forget sectional jealousies, politics and factional disputes and let all of us co-operate in one smooth working unit to defeat the common enemy.

2.—As war in the Pacific increases the need for freighters, we should build wooden ships, thus expediting deliveries and releasing metal for guns and munitions.

3.—Eradicate quislings. This is not the time for maudlin sentimentality regarding enemy aliens.

4.—By intelligent subcontracting in areas where skilled labor is available we should relieve the bottleneck in congested manufacturing centres, thus speeding up all wartime production.

5.—As arms and equipment become available enforce existing selective conscription laws.

* * *

Arthur Vallée, K.C.

Member of the firm of Vallée, Letourneau & Tansey and prominent in Montreal legal and financial circles.

1.—Save, because even the most constant privation is insignificant when we consider the horrors suffered by the occupied countries.

2.—Subscribe these savings to Canada's war effort, because every loyal citizen must admit that our subscriptions are still too small.

3.—Fuse the goodwill of all into one common effort and one common purpose, since the experience of all time shows that co-ordination makes for irrestible momentum.

4.—Speed recruiting, since the constant, sincere and reasoned encouragement of men of experience always brings conviction in the long run.

5.—Sustain those in authority, because they can draw strength from our support and because we should avoid the easy course of criticizing rather than acting.

Geo. J. Truman

President, Mount Alliston University, Sackville, N.B.

1.—Carefully planned selective service scheme to ensure maximum efficiency to total war effort.

2.—Definite programme for conservation of all forms of national wealth and salvage of all materials necessary in war production.

3.—Strong increase in man power of armed forces, especially air force and navy. Air power is vital in this war as is also protection of shipping from this empire supply centre.

4.—Solution of labor problems to maintain production of raw material prevent interruption of manufacture and give labor a fair deal.

5.—Expansion of technical and scientific education and support of all agencies, school, college, church, which contribute to morale of people.

* * *

Dr. David Williams

Editor, Enterprise-Bulletin, Collingwood, Ont., and recently honored with doctor of laws degree from University of Toronto for 50 years of outstanding work in weekly newspaper field.

1.—Strengthen forces for service at home or overseas.

2.—Ignore the evidence of waste and extravagance and buy war saving certificates.

3.—Support the new Victory loan to the last copper available.

4.—Accept regulations respecting food, gasoline and other necessities readily and thereby avoid embarrassment for the higher councils of the Dominion.

5.—Maintain a 100% unified effort between capital and labor the support of the front lines.

that there may be even a greater supply of munitions, ships and other war supplies necessary to the support of the front lines.

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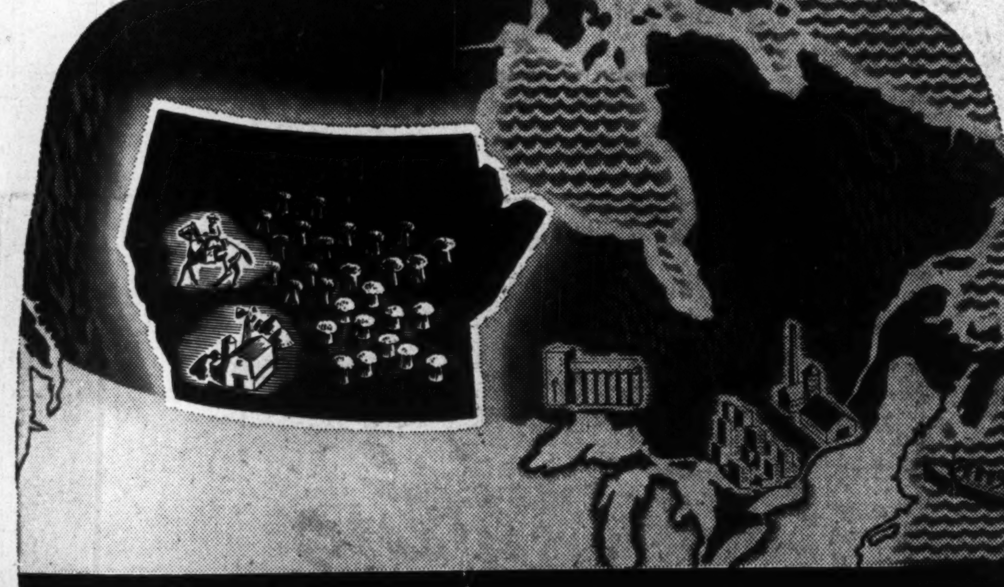

THE RICHEST AGRICULTURAL MARKET IN THE WEST
Is Influenced DAILY
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The Year Ahead — On Stock Markets

Further Digestion of Business Controls Needed

Markets Likely to Benefit From Increased National Income

By ARTHUR D. ELLWOOD
Investment Editor,
The Financial Post

Major factors likely to operate in the stock market next year and how they may affect trends of stock prices may be summarized as follows:

1. WAR NEWS:

There is little doubt that investor psychology—the so-called confidence factor (illustrated by an accompanying chart)—is going to play a vital part. This will arise primarily in efforts to look at the probable outcome of the war itself; adverse news pushing stocks down; favorable news taking prices up.

2. TAXES AND BUSINESS CONTROLS:

It was probably not until well into 1941 that the average investor really got down to earth in his appraisal of what wartime taxation scales under a pay-as-you-go policy of war finance would mean to him. Few realized how heavy personal income taxes would be. Most were a long way from forecasting how serious would be the limiting effect on corporate earnings of income and excess profits taxes.

Higher Taxes Coming

There is almost complete assurance that taxes for 1942 will be heavier than they were this year. Just where the increase will come is not known yet but this deadening factor will again operate with increased severity on stock markets.

Economic and business controls include rationing, priorities and prohibitions—a whole raft of items demanding the most careful study by investors.

3. TREND OF EARNINGS AND COMPANY ASSETS:

Normally this factor would be the most important in appraising the outlook for stock prices but that time passed when war started. Earnings cannot be separated from taxes and controls.

4. INTEREST RATES:

Interest rates primarily determine the level of bond prices and particularly the highest grade of bonds. But they also influence stock prices. Not long ago stock yields were lower than bond yields. That is a danger signal that saw its answer in the depression of the 1930's. But for a number of years now stock yields have been moving steadily farther above bond yields, until, throughout the war, the gap has been wider than at any previous period in the past 40 years.

Investors normally demand a higher return from stocks than from bonds to compensate for the supposedly greater risk of the former. But there should also be limits to the premium they are willing to pay for the safety which bonds represent and it is hard to see this limit very far away at present.

There are other factors to determine the course of stock prices in 1942: the supply of money available for investment, fears of inflation or confidence in its non-existence. But primarily all factors have their origin in the main principles already mentioned.

Three Wartime Stages

Since war started in September, 1939, investors in Canada have had a varied experience, a lot of it unpalatable. Actually there have been three major stages in the attitude of investors toward the stock market.

The beginning of the war was characterized by relief that we now had substituted the certainty of war for the recurring crises of the 1930's.

Thus the first reaction was a stock market boomlet—a boomlet that was doomed to an early end as investors began to take a more realistic attitude. This boomlet within a week took the Toronto Stock Exchange industrial share index up 20% and in Canada it reached its peak toward the end of October, 1939, after a total gain of around 30% on the averages.

But following this brief flurry—a move probably more than anything else a quick recovery from an overdepressed condition immediately prior to outbreak of war—stock markets became quiet.

The Second Stage

Then the war came to life with a roar—a disastrous and deadly roar that saw the end of France, Belgium, Norway and Holland as effective combatants. Within a month, beginning in late April, 1940, stocks in Canada lost 30%, more than wiping out the entire gains of the first stage.

This also began the long retreat for stock prices, a retreat which has not yet given conclusive evidence that it has ended. At no time was panic again in evidence. The disastrous days of May, 1940, had wiped out the weak sisters in the stock market. Margin accounts for all practical purposes became a thing of the past. Combined brokers' loan for Canada's two major stock exchanges dropped from $30 millions for April, 1940, to $16.9 millions for June of the same year. For November this year total borrowing was down again to $14.5 millions. Such figures do not leave much chance for further declines to be accelerated by sold-out margin accounts.

Volume of shares traded has dropped about as fast as have brokers' loans. Toronto Stock Exchange, as an example, handled 120.9 million shares in 1939. For 1940 this dropped to 74.9 millions and for eleven month of this year it has been down again to 48.7 million shares.

Final Stage

The latest stage of the stock market has been a gradual adjustment to such wartime emergency measures as excess profits taxes and high personal income taxes, economic controls. To this should be added the fading of the early rush to stock for "inflation protection" and the continued evidence of ability to maintain interest rates at around the 3% rate for government borrowings.

Over the past year and a half the total range of stocks as measured by the Dominion Bureau of Statistics of 68 industrials has been almost exactly ten points and the latest figures show this index a little less than half way up from the bottom of its 18-month range.

Bonds Do Better

Another way to sum up major developments in investment markets since 1939 is that given in a recent letter from A. E. Ames & Co., Toronto investment firm. This letter points out that, contrary to rather general expectations at the beginning of the war, price advances have been the rule in highest grade bonds. In large part this has reflected the conscious operation of a monetary policy designed to finance war borrowings cheaply while controls in non-essential consumer expenditures were being established.

For second grade bonds, price advances and lowering of yields have been more pronounced. This has partly reflected improved earnings and financial position of the issuers and partly the search of investors for profitable use of funds in reasonably secure senior liens.

Preferred Stocks

Course of preferred stocks has been somewhat different from that of bonds, with the exception of the highest grade dividend paying issues. Returns on dividend paying preferred stocks are about ¼% to ½% higher on the average than at beginning of the war. Price advances have not been general among preferred stocks except where dividends have been resumed or arrears paid which has caused some spectacular advances.

Common Stocks Suffer

Most pronounced change in investor attitude has taken place in common stocks. They are being neglected where price changes are ordinarily most volatile. Price of investment grade common stocks is generally below 1939 levels and the yield at present from ½% to 1% higher than at the beginning of the war in spite of a remarkably consistent record of stable dividend payments.

A strong investment preference has continued to develop for security of financial resources, earning power and income and a modified attitude has developed toward common stocks, widely bought at the outset of the war as inflation hedges.

Hold Down Profits

What will economic and business controls and priorities mean to investors?

Primarily this is a problem for the common stock holder and does not necessarily harm the status of good grade industrial bonds. Interest on bonds is a charge which comes out of earnings before arriving at taxable income, a point probably accelerating the noticeable move from stocks to bonds. When the supply of good bonds runs short, as has been the case in recent months, then the investor turns to issues of lesser quality, sometimes with disastrous results.

Wartime controls and high taxes, when successful, tend to limit any possible rise in net profits in spite of large gains in physical volume of business. Prevailing high yields on common stocks reflect this condition and show the concern of investors as to the effect of price control on profit margins in many types of business and the limit that excess profits and regular income taxes place on earnings.

A more realistic concern for the long-term investor in stocks is the extent to which wartime controls may continue after the war is over and where reduction of profit margins during war may weaken the financial strength of companies or lessen their ability to make needed replacements of equipment or repay liabilities.

To date it is not thought that serious impairment of financial condition has occurred and numerous cases are noted of better liquid condition being reported. The recent report of Beatty Bros. is an excellent illustration of the last point.

It is not likely that wartime controls can be relaxed immediately the war ends. The record of business failures after the last war shows that far more companies got into financial difficulties a year or two after the war than during the war period itself. The price control mechanism can be used to curb the probable postwar boom and inflation.

Stocks Can Advance

Is it possible for stock prices to advance during wartime?

Stock markets in Great Britain are now higher than at any other time since the war started. In Germany the same is the case. Britons, however, have been living in a much more drastically closed economy than Canadians. Britons are also farther removed from the United States, an influence which has contributed in no small measure to the laggard action of Canadian stocks.

Over the next year Canadians are going to experience in greater measure such restrictions on purchasing power as direct rationing can effect.

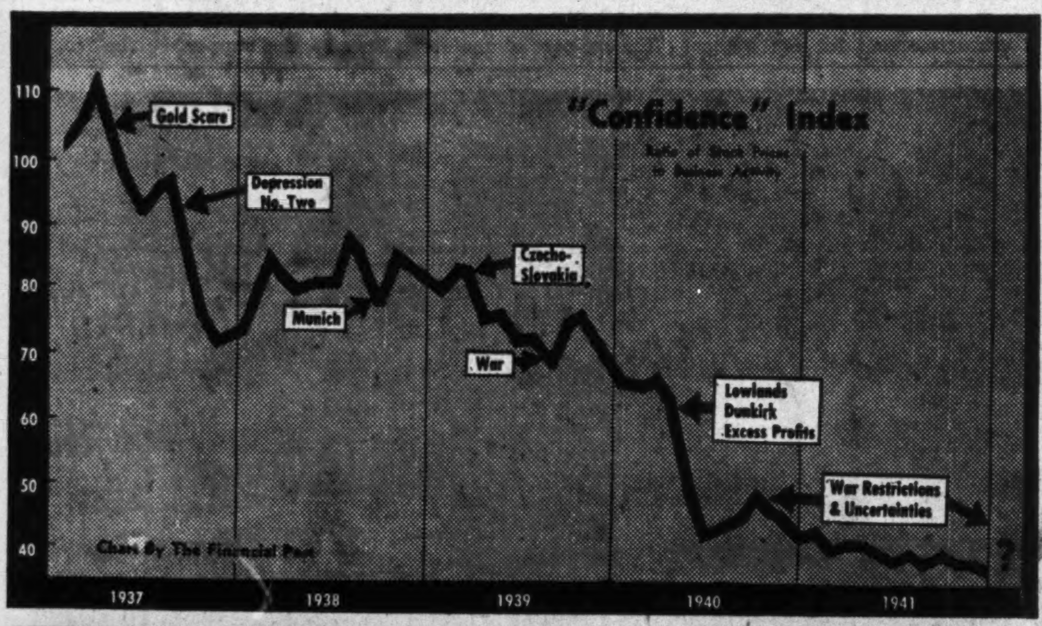
Less Goods; More Income

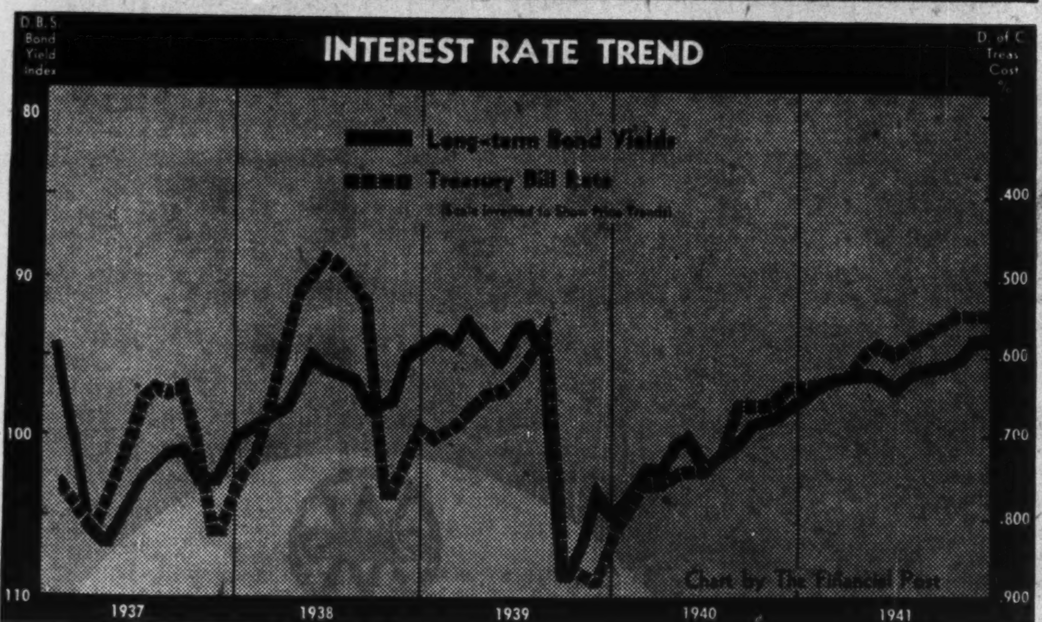
More money will be available as the national income continues to grow. Channels for spending this will narrow—the greatest single one remaining government war loans. But there seems the likelihood that much of this growing national income will have to find employment in the security markets as has been the case in Britain.

The result of all these points does not add up to the likelihood of a stock market boom in the near future. It will take a while for investors to evaluate the actual effect of our latest batch of price and rationing controls. In many cases this effect will be serious but how serious cannot be foretold yet. Moreover, those closest to the plans of the W. P. T. B. feel that the real test of Canada's anti-inflationary policy will come perhaps six months from now. It may take that long to permit a reliable estimate of how they will work.

Those who have faith in the continuation of our way of living—modified perhaps as a result of lessons learned — should bear in mind that holding stocks means retaining a constructive attitude and a chance to participate in the future of Canada.

Long and Short-term Security Prices Show Upward Trend





Above two charts show what has happened, something of why it has happened, to bond values since 1937. The upward trends of long and short term government security prices have been based in part on lack of confidence in common stocks. Measuring this confidence shortage is the second chart, showing stock market values adjusted in terms of business activity. Market value of a given level of business activity is only a third what it was five years ago.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941: Monthly Figures:												
Jan.	77.6	74.1	72.1	51.6	110.6	96.3	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Apr.	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
May	71.8	59.7	63.4	51.3	97.4	88.6	82.8	74.4	60.3	88.3	65.2	63.9
June	72.0	59.5	67.5	48.0	101.1	90.1	87.3	74.9	62.0	89.0	67.1	64.0
July	76.3	66.1	67.5	48.4	105.7	90.5	94.3	77.8	65.3	89.7	70.6	67.5
Aug.	76.8	70.2	72.4	49.1	106.3	91.8	95.7	79.7	64.4	89.7	71.2	67.8
Sept.	80.5	78.5	75.1	51.3	108.4	93.3	102.4	82.4	68.8	91.2	74.7	71.0
Oct.	78.3	75.5	74.5	51.2	105.7	91.9	98.7	78.9	67.2	90.8	72.5	69.1
Weekly Figures:												
Nov. 6	78.2	75.1	73.3	53.1	109.0	91.9	100.7	77.7	66.1	90.7	71.7	69.2
Nov. 13	78.2	75.8	74.2	53.0	110.5	90.6	102.0	77.8	66.2	92.0	71.5	68.6
Nov. 20	78.0	77.9	76.1	52.4	109.7	90.7	104.0	78.1	65.4	92.1	71.1	68.7
Nov. 27	78.5	76.7	75.8	53.1	110.9	90.8	103.7	77.7	64.4	91.8	70.2	68.5
Dec. 4	78.3	77.0	76.1	50.8	110.8	91.5	106.6	78.0	64.1	91.4	70.6	67.9
Dec. 11	75.6	72.8	69.8	50.3	110.0	89.9	101.6	75.9	62.1	91.1	68.3	67.0
Dec. 18	74.5	71.3	71.3	48.0	110.3	92.0	104.2	74.0	61.5	89.8	67.1	65.9

*High and low for year from 1929 to 1940 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Dec. 22	91.36	82.31	66.76	18.30
Dec. 20	90.78	82.66	67.01	18.45
Dec. 19	90.94	83.06	67.36	18.49
Dec. 18	90.72	83.25	68.25	17.95
Dec. 17	91.31	84.39	68.11	18.38
Month ago	94.59	90.18	68.99	19.30
Year ago	99.83	107.59	66.75	21.06
High 1941	103.48	109.76	75.30	21.62
Low 1941	85.87	82.31	59.30	16.73

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Dec. 22	41.5	59.1	53.2	72.63	55.85
Dec. 20	41.5	59.1	53.2	72.98	56.06
Dec. 19	41.5	59.0	53.1	72.98	56.37
Dec. 18	41.1	59.2	53.1	74.42	56.41
Dec. 17	41.5	59.5	53.5	75.52	56.83
Month ago	43.6	61.2	55.3	81.65	59.46
Year ago	55.0	66.1	62.4	80.72	79.16
High 1941	54.3	66.6	62.3	88.90	79.99
Low 1941	41.1	52.3	49.3	58.96	55.85

Canadian Car Boosts Income

From Our Own Correspondent

MONTREAL.—Gross income of Canadian Car & Foundry Co. for the fiscal year ended September 30, last, will, it is reported, show an increase of about 50% over that for the preceding year. Indications are that after depreciation, taxes and write-offs, net profit will be appreciably higher than the $1.69 a preferred share reported for 1939-40 year.

At present time company is now engaged almost entirely on war work. Shell forgings for the British and Canadian navies have become an important activity, and these and other products are being turned out at the Turcot and Dominion plants. Avro-Anson planes are being made at Amherst. At the malleable iron foundry at Brantford the company is producing parts for armored and motor transports. Hurricane fighters are being produced at the Fort William plant.

Start on New Plane

Work on the Hampton Bombers has been completed. A plant is under way for construction of the four-engine bombers, with Canadian Car and National Steel Car making the parts and the government assembling the huge craft at the Malton plant.

Some delays, it is understood, have been encountered in preparation for construction of these bombers. They are of British design, but the specifications will have to be revised so that parts can be used from the U. S. rather than having to depend on Britain.

B. C. Bond Men Elect Officers

British Columbia Bond Dealers Association reports the following list of officers and executive committee members for the coming year:

FRASER WRIGHT, Pemberton & Son (Vancouver), president.
ROSS WILSON, A. E. Ames & Co., vice-president.
GORDON SWEET, Yorkshire & Pacific Securities Ltd., honorary secretary-treas.
C. J. COPITHORNE, Western City Co.; J. CRANE, J. B. Crane & Co.; M. C. P. GRAVES, A. E. Jukes & Co.; J. CHILCOTT, C. M. Oliver & Co., members of the executive committee.

C. N. R. Income Shows Advance

Net Gain in November Small Due to Advance in Operating Expenses

From Our Own Correspondent

MONTREAL.—Advance in operating expenses of the Canadian National Railways during November practically offset an increase of $4.9 millions in gross revenue.

Operating income last month totalled $27.3 millions, as against $22.4 millions the same month a year ago. Operating expenses increased $4.7 millions to nearly $21.6 millions, leaving a net revenue of $5.7 millions. This was just under $200,000 greater than a year ago.

Big Cumulative Gain

Cumulative returns for the first 11 months of 1941 show the system had a gross operating revenue of $276.4 millions, an increase of $52.6 millions over the like period of 1940. About 60% of the increase in gross revenue was taken up in higher operating expenses, leaving a net revenue of $60.3 millions. This contrasts with $38.7 millions in the first 11 months of 1940.

Comparative figures on operating returns for November and the 11 months ended November 30, 1941, and comparative figures for 1940 follow:

November	1941 $	1940 $
Oper. revenues	27,292,966	22,389,448
Oper. expenses	21,573,130	16,865,224
Net revenue	5,719,836	5,524,224
Aggregate to Nov. 30		
Oper. revenues	276,365,487	223,790,418
Oper. expenses	216,017,596	185,056,557
Net revenue	60,347,891	38,733,861

Maritime Provinces Oppose Winter Rail Rate Boost

From Our Own Correspondent

MONTREAL.—Action of the Wartime Prices and Trade Board in permitting railways to increase freight rates in the Maritime Provinces to the winter schedule has been protested by the Council of the Halifax Board of Trade.

The increase, effective Dec. 1, was considered by the Board of Trade as creating an inequitable situation, due to Dominion price regulations. With commodity prices pegged at the October level, it was said, the increased transportation charges will result in the reduction of the spread between the wholesale and retail prices.

Freight rates in the Maritimes are reduced in summer months to compete with water transport. Following the close of navigation at St. Lawrence ports the rates are put back on a non-competitive basis.

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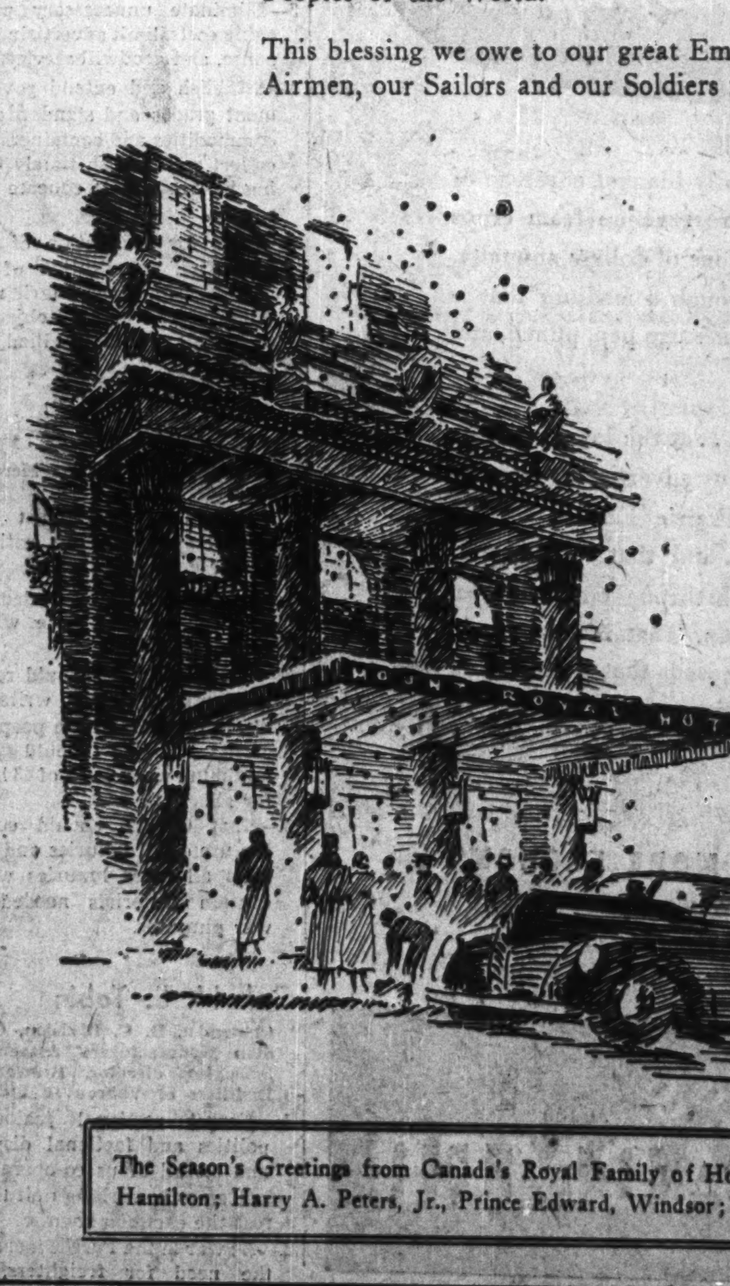
APPROACHING the Yuletide, in the third year of war—we are mindful that Christmas has not lost its meaning to the Free Peoples of the World.

This blessing we owe to our great Empire, our faithful Allies, to our Airmen, our Sailors and our Soldiers for their gallant defence of our way of life, many of whom have paid the supreme sacrifice.



Our contribution to the great cause is complete adherence to our Government's regulations, and the sacrifice, no matter how great, must be met with unflinching fortitude.

With confidence in the destiny of our peoples, and good wishes for Victory and Peace, we greet the New Year.

VERNON G. CARDY.

The Season's Greetings from Canada's Royal Family of Hotels—H. Alexander MacLennan, Royal Connaught, Hamilton; Harry A. Peters, Jr., Prince Edward, Windsor; Ronald P. Peck, General Brock, Niagara Falls.

The Year Ahead — For Bonds

Bondholders Still Fare Well

Will Likely Continue in Favored Position

By W. BRUCE MacKINNON
Staff Writer, The Financial Post

Two basic facts explain why the bondholder is the favored among investors in World War II.

First is that mortgage interest is a cost of production, not a payment out of profits.

Second is that capital gains are not taxable in Canada except in the case of professional traders.

Because excess profits taxation is severe and uncertain, bonds are almost the only investment medium where the investor can make reasonably accurate predictions of earnings and values. And since E. P. T. has practically shut off possibilities of major capital appreciation in common stocks, investors seeking capital gains have also turned to bonds.

Pocket Money For Mars

To these might be added a third fundamental — that second only to taxation, the war is being financed through the bond market. And with the increasing importance of war finance, the bond market is being steadily widened to embrace more and more individuals as Victory loans seek more new lenders.

Out of these causes have arisen the market trends of 1941 and from them are budding a set of conditions that will profoundly influence the financial pattern well into the post-war years.

Something the same happened in the last war. Hundreds of thousands of Canadians became bond investors for the first time. Having invested for victory, they later invested for profit, first in bonds, later, as the twenties climbed toward the 1929 peaks, in progressively riskier securities. Victory loans are again introducing the general public to direct investment, setting up underlying conditions that will be favorable to active post-war markets provided they are not offset by other developments.

But there are major differences between this war and the last. The loans of the Great War were floated at progressively higher interest rates. Some of the coupons were tax exempt. The funds came in a great measure from wartime profits and higher individual earnings.

World War II is a "3%" war. The First War loan gave the investor 3¼%, the Victory loan 3.09%—the steady downward trend of interest rates is shown in the charts on page 4. And excess profits taxes in industry, higher personal income taxes on individuals, have made it necessary to draw heavily on the "automatic savings" of insurance companies for funds, and made bond buying more of a personal sacrifice than it was in the last war. The freezing of wages and prices promises to intensify the difficulties of Victory loan canvassers.

Confidence Holds Key

In spite of the pinch on interest rates and the narrowing of profit opportunities, the bondholder has fared well compared with other investment groups. Buying power has been switched from the stock markets into the bond houses through the waning "confidence factor" shown in the second of the accompanying charts.

Since 1937, the investment value of a given stage of business activity has dropped from $1.03 to 37 cents. Part of this is accounted for by the increased taxes, but a great part can be explained only by the uncertainty of wartime taxation and regulation. Despite the high yields currently available on common stocks there is little evidence of a diversion of funds from lower yielding bonds.

Side by side with the increased relative attractiveness of bonds to stocks has gone a narowing of the new-issue market. Restrictions on capital construction for other than war purposes, much of it financed directly by the government, have cut the non-government bond flotations to around $100 millions for 1941. For the year, these issues will run about half of the 1940 total, not quite a quarter of the total for 1939.

With portfolios bulging with government bonds, the search for other issues to bring a moderate degree of diversification has been a major feature of the 1941 market. With the higher grade issues holding top price levels, investors have searched the back shelves for bargains in the form of discounted bonds which combine high yields and capital appreciation opportunities.

Actually, this process began in 1940, following the announcement of the excess profits tax terms, but it has been substantially more pronounced in 1941 and may well reach its limits by the end of 1942.

Gains Pronounced

Capital gains have been marked. The old Brown Co. bonds have risen about 20 points, Burns & Co. about the same. Canadian Vickers have risen some 40 points, Western Grain, 20 points, Abitibis, including the capital repayment of 13%, 22 points. Winnipeg Electric A's have gained some 13 points and Canadian Locomotive around 14, while Maple Leaf Milling bonds are about 7 points higher.

Along with the gain in discounted corporation bonds has gone a similar rise in municipal issues selling below par. Activities of the various provincial bodies charged with municipal control have gone steadily forward in bringing municipalities out of default. Latest achievement, still to be finalized, is the reorganization of the City of Montreal.

All but a handful of the municipalities and corporations have now been straightened out financially. The bargain counter is getting empty.

Whether 1942 will see the end of the search for speculative issues is not easy to predict. Undoubtedly new forces will develop in Canada in 1942 which have hitherto been confined to Britain and other countries where war trends have reached a more advanced stage of development.

For the first time we may look forward to an increase in funds available for investment as a result of the disappearance of consumer goods. With spending outlets blocked, a larger share of current income will have to go into investment. And with the supply of new issues coming to market probably even smaller than in 1941, Canadian investors will be faced with the problem of fitting a quart into a pint pot. Government loans will undoubtedly provide outlet for all the money investors can supply, but as pointed out above, they will not provide the investor with diversification.

In the United Kingdom the need for diversification has already been largely responsible for a minor boom in the stock market. The same trend has been apparent in Germany, doubtless enhanced by private fears of the outcome of the war.

In both markets, industry has added its weight to the mounting supply of investment funds. Shut off from the ability to invest in new equipment when the old wears out, depreciation reserves climb unchecked, bringing a corresponding and undesired degree of liquidity to the asset side of industrial balance sheets. Despite control over prices and wages, the value of money is gradually destroyed through the fact that it is impossible to spend or make new investments of a tangible, productive nature. When money can't be used, it ceases to be "money" in the full sense of the word.

A glance over the recent restrictions on critical materials in Canada makes it clear that Canadians are headed in the same general direction that Britain has followed. Presumably, the pressure of investment funds on narrowing investment opportunities will have the same effect, spread the search for bargains down into the stock market after taking up whatever slack remains in corporation and municipal bonds now offering satisfactory yields.

Seagram Profit Jumps Sharply

Sales in October Quarter Nearly $42 Millions; Net Profit Doubled

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams Ltd. reports a sharp increase in sales, gross revenue and net profit for the three months ended Oct. 31, 1941.

At the end of the three months period sales totalled $41.7 millions in U. S. currency, compared with $26.3 millions in the like period a year ago. Gross income amounted to just under $12.1 millions, as against $7.4 millions for the three months ended Oct., 1940.

Net Profit Doubled

Expenses generally were higher and after making provisions for over $3.5 millions for income and excess profit taxes, compared with $819,243 a year ago, net profits for the Oct., 1941 quarter totalled $2.6 millions. This contrasted with just under $1.3 millions for the like period of 1940.

Income Account
Three Months Ending Oct. 31

	1941 $	1940 $
Sales	41,741,675	26,270,159
Less: Cost of goods sold	29,739,056	18,877,459
Add: Misc. income	83,204	33,755
Gross income	12,085,823	7,426,455
Less: Gen. expenses	5,429,887	4,995,277
Directors' fees	5,250	250
Exec. salaries	91,620	82,880
Legal fees	66,888	58,024
Interest (net)	131,550	69,879
Depreciation	49,832	43,718
Amort. of contracts	18,072	......
Loss on cap. assets	9,490	53,831
Income taxes	1,998,474	819,243
Excess profits taxes	1,654,007	......
Exchange adjustments	15,434	9,059
Net profit	2,615,319	1,294,294
Note:—Depr. provided during the period amounted to	378,668	315,525
Of which there was charged to cost of production	328,836	271,807
And the balance as above	49,832	43,718
	378,668	315,525

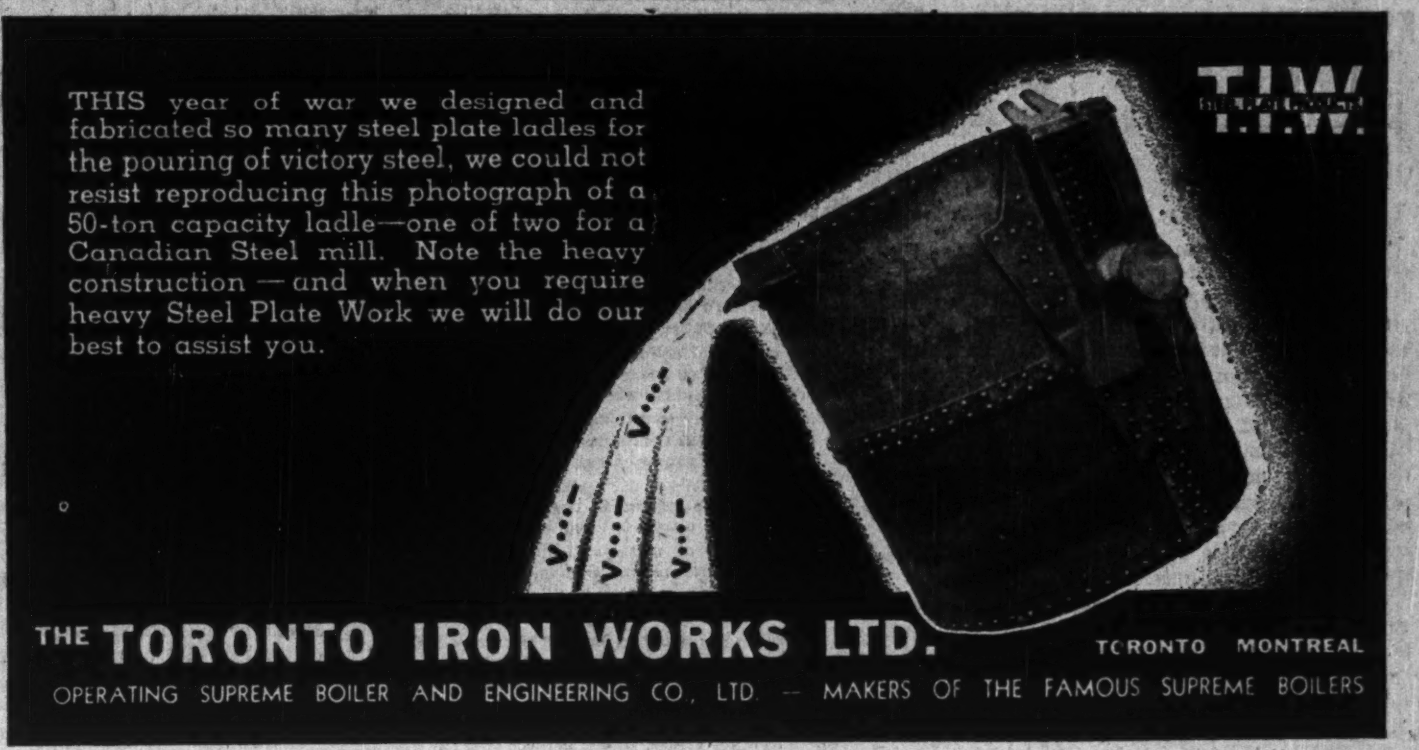
Dryden Paper

Dryden Paper Co.'s Financial statement for the year ended Sept. 30, 1941, shows good gain in operating profits, the first net profit since 1937 and a moderate increase in net working capital. Gross income of $426,507 compares with $315,677 the year before. After all senior charges, including an increase of $55,000 in depreciation reserve, net profit of $32,287 compared with nil in 1940. This was equal to 21 cents a share on common. Working capital stands at $580,830.

Bond Redemptions

Bond issues:	Rate	Year	Due	Price
Eastern Car	*6%	1952	Jan. 1	105
Mississippi R. Pr.	‡5%	1951	Jan. 1	105
Can. Bakeries	6¼%	1945	Jan. 15	102½
Shaw. W. & Pr.	▲3½%	1946	Dec. 30	100½

*$45,000. ‡$148,600.
▲Collateral trust notes.



Morrison Brass 1941 Profit Up

Operations of Morrison Brass Corp. this year have shown material improvement over the 1940 level and it is expected that this will be carried through to net profit in a substantial degree, officials inform The Financial Post. In 1940 the company had a net profit of $27,626 compared with a loss of $3,169 the previous year.

The plant has operated at capacity throughout the current year which represents an appreciable increase over 1940 capacity owing to substantial additions to plant and equipment which did not come into production until August, 1940.

Morrison Brass is the outstanding Canadian producer of marine valves and specialties, output from this company alone representing three-quarters of the entire production of this line in Canada. The shipbuilding programme has created such a demand for marine valves and specialties that the Dominion Government has undertaken to erect and equip a plant adjoining the present Morrison Brass location. This will mean a doubling of the company's productive capacity for this type of marine equipment.

Concrete foundations for the new plant are now being poured and it is expected that production will start in about three months.

It is also believed that demand for the company's industrial line is continuing to hold at high levels.

Bond Tenders

6 p.m., Dec. 29, Village of Tadoussac, P.Q.—$50,000, 4%, dated Nov. 15, 1941, redeemable serially from 1942 to 1956. F. Lapointe, sec.-treas.

12 noon, Dec. 23, Ottawa—$75,274, as follows: $31,920, 2¼%, 5-year serial; $16,572, 2½%, 10-year serial; $26,782, 3%, 15-year serial. G. P. Gordon, Commissioner of finance and treas.

5 p.m., Jan. 5, Sch. Mun. of Grand'Mere, P.Q.—$11,000, 4%, dated Nov. 3, 1941, payable serially in 10 years. Roger Deshaies, sec.-treas.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

COST REDUCTION

PROFITS lost through price and wage regulations may be recovered through operation analysis, cost, inventory, and production control. Write specialist in this work. Box 204, The Financial Post, Toronto.

AN APPEAL TO CANADIAN INDUSTRY FOR SCRAP

THIS is a direct appeal to Canadian Industry—directors, owners, managers, plant superintendents and workers, requesting your immediate attention to the task of increasing the tonnage of scrap steel and iron in Canada; read the following carefully and seriously consider the gravity of the situation, especially in view of recent developments on newly formed fronts.

1. Our War Programme demands more and more steel and iron scrap to permit the production of ships, tanks, bombs and other munitions.

2. Apart from war needs industrial and civil requirements in steel will be difficult and almost impossible to produce unless the necessary scrap is brought into market.

3. In Canadian plants, such as yours, is an excess of 500,000 tons of scrap lying unused or being retained for some contemplated need which never arises. FROM CANADA'S STANDPOINT IT IS FALSE ECONOMY TO SACRIFICE 100 TONS OF VITAL RAW MATERIALS FOR THE SAKE OF ONE TON OF RECLAIMED OR SPARE PARTS.

4. WE NEED EVERY POUND OF YOUR SCRAP MATERIALS; check all obsolescent machinery, broken equipment and worn out tools. Arrange to have this material centralized in your plant and make immediate disposition. If you lack the organization or necessary labour to wreck or dismantle, contact your closest dealer or write this department for information, but in any event act immediately.

5. We stress this vital point. Today, it is not the value of the material in dollars and cents that should motivate the movement of your scrap; PRICES ON SCRAP ARE FIXED AT ALL POINTS IN CANADA BUT UNFORTUNATELY FEW PEOPLE UNDERSTAND THAT THESE PRICES ARE FOR SCRAP SORTED, PREPARED AND DELIVERED TO THE STEEL MILL, AND THAT WHEN TRANSPORTATION AND PREPARATION COSTS ARE DEDUCTED, THE VALUE OF THE SCRAP MAY BE ANYWHERE FROM $3.00 TO $8.00 LESS THAN THE FIXED PRICE. WHETHER YOU SECURE $5.00 OR $10.00 PER TON OR WHETHER YOU DONATE YOUR SCRAP TO THE SALVAGE ORGANIZATIONS IT REMAINS YOUR SERIOUS OBLIGATION TO SPEED THE FLOW OF THIS MATERIAL INTO WAR INDUSTRY PRODUCTION.

6. Many industries in Canada have equipment and steel structures located on their property and under their control, withheld from the scrap market however, because of logical depreciation reasons. This department is vitally interested in the possibility of bringing this material to market immediately and should you have or know of any industry which might have any such equipment, structures or plants, report this information to the Director of Salvage, Ottawa: This survey is essential, since without this knowledge no sound method of immediate depreciation can be advocated or adopted.

YOUR WHOLEHEARTED CO-OPERATION AND IMMEDIATE ACTION IS REQUIRED AT THIS CRITICAL PERIOD IN OUR WAR PRODUCTION.

Department of National War Services

Ottawa

Honourable J. T. Thorson
Minister

The Editorial Page . .

Facing the New Year

Never has Canadian business faced a more uncertain new year. The war has completely upset old yardsticks for appraising the future.

To normal hazards have been added a ceiling on prices but not necessarily on costs, rigid restriction on certain lines of production, shortages of raw materials and extra heavy war taxes.

Some lines of business face extinction, through bans on consumer demand. Others have no alternative but to concentrate completely on war production, ignoring their former customers for the duration. Under such conditions, of course, it is almost impossible to forecast the future along the old conventional lines.

On two points, however, Canadian business men emphatically agree: First, that any industry geared to the war effort is going to find itself increasingly busy as the coming year unfolds. Second, that despite the growing load of taxes and actual work Canadian war industry is being asked to carry, there has not been the slightest hesitation in assuming that load and expectation, and still more will be borne if the war effort demands it.

The year just closing witnessed established private industry getting into its full stride of war production, with guns, planes, tanks, shells and the thousands of other items that go to make the modern fighting machine pouring out of our factories in steadily rising volume. The year just opening will witness this flood augmented by the full output from the great special war factories that have been planned, built and equipped since the war began. Some of them are already in production and the remainder are almost ready to begin.

It is the earnest hope of The Financial Post and Canadian business generally, that this great industrial contribution from Canada, plus the much more precious contribution of our young manhood, will help turn the tide of war in the twelve months ahead.

A Forward Step

Prime Minister King's appointment of Humphrey Mitchell as new labor minister has been hailed by Canadian newspaper editors from one end of the country to the other. Bitter critics of the government as well as slavish supporters have heartily commended the move.

The explanation is obvious.

The average man sees in the appointment of an outstanding labor man as federal Minister of Labor, the first step toward a really national government, a government that will be made up of representatives of all interests and parties, and one, whose sole purpose will be the winning of the war.

Surely Mr. King can place no other interpretation upon the reaction to his forward move. The next development, and we hope it is not too long delayed, will be a further broadening of the inner circle of government to include outstanding leaders of other political groups and interests.

Then and then only will every Canadian feel that he is really represented in our war government. With suspicions and jealousies removed, he will get behind the national war effort with the wholehearted support that is absolutely essential if we are to win the war and win it quickly.

North American Defense

Now that North American defense has become a grim fact instead of a mere possibility, all concerned hope that real progress has been made by the joint committee set up by the American and Canadian governments to study this problem. Naturally any developments must be kept strictly confidential in view of recent world developments and we can only hope for the best.

One very great weakness of any international defense scheme to which The Financial Post and other observers have frequently drawn attention, is the difference in war equipment commonly used by the major countries concerned. Americans have largely developed their own standards of weapons, while Canada in the past has concentrated on British types. For maximum defense, of course, both parties in any common project should have the same equipment, using identical ammunition and weapons, should use the same sort of transport and fly similar planes. This would permit both to draw replacement and supplies from a common pool, would make a Canadian factory just as valuable as an American to a U. S. fighting unit, and vice versa. It would also greatly simplify the problem of transport, and would tend to eliminate those disastrous mistakes where the wrong size of ammunition is shipped to a distant fighting outpost.

Some progress, we know, has already been made in this development not only between Canada and the United States, but also between the latter and Great Britain. Both English-speaking democracies now use many similar types of planes, tanks and motor transport, but there are still wide differences in the types of offensive weapons. Much more progress certainly would be desirable and especially so as undoubtedly it will be the British Empire and the United States which will be called upon to police the world for a considerable time after the end of the present conflict.

The Financial Post's Platform For War

1. Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.

2. An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.

3. Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.

4. Pay-as-we-go policy to the very limit consistent with an all-out war effort.

5. Elimination of wasteful spending by public bodies or private individuals.

6. A national programme to deal with post-war employment and relief problems.

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

Our Severed Riches

Those pre-war pacifists who would have had a world democracy without fortifications or navies must be doing some serious thinking today. Despite substantial opposition in Canada and throughout the democratic world generally, defenses were not altogether neglected during the uneasy armistice between the two world wars. The great bases at Singapore and Pearl Harbor were constructed and other posts were strengthened.

But in the light of very recent events, we now realize that this work was not enough. Singapore has always lacked the full naval protection it needed for maximum strength and vital connecting links between Pearl Harbor and the Philippines were never really developed.

Today we are paying the price for neglect, because it was neglect so long as potential enemies continued to arm and prepare. A recent American summary of Allied stocks of key foods, including sugar and wheat ends with this significant sentence:

"Australian reserves of the latter cannot be tapped right now."

Collectively the two great English speaking Empires normally own or control a major portion of the world's oil, rubber, cotton, metals and other key commodities. With these firmly protected there could be no serious challenge. Unfortunately, for the cause of world humanity in the present crisis, protection has not kept pace with commercial development, hence the spectre of rationing and shortages until sea communications through the Pacific have again been cleared.

What of Labor Supply Board?

With Ottawa already a maze of boards, committees, and departments, any opportunity of reducing their number should be seized. In the rapidly shifting scenes of war on the home front, it is inevitable that some of these groups, organized for a specific job, and having done that job, should find themselves ready for demobilization.

For example, it would be interesting to know what justification there is for continuing in existence the Natonal Labor Supply Council, which was originally established away back when the question of man power was more or less an academic one in Ottawa. Function of the Labor Supply Council was to advise the government on matters of labor supply referred to it by the Minister of Labor, or on its own initiative. From the first, much of the council's potential usefulness was nullified by adherence to the old and obsolete formula of equal representation by labor and industry.

In any event, any useful function the council might now perform can apparently be just as well performed by the newer National War Labor Board, which has wide powers in its administration of the Wartime Wages and Cost of Living Order-in-council, and has personnel and opportunity adequate for purposes of advising the government.

In such a situation, why needlessly continue the life of the Labor Supply Council?

Editorials in Brief

Hitler's jump from an ex-corporal to the head of the German armed forces is on a par with the German army jump backward from the siege lines around Moscow to winter quarters rearward.

* * *

A serious shortage of paper is expected in 1942, Vice-President L. F. Winchell warns Hinde & Dauch Paper Co. shareholders. Only the upheaval of a world war could make such a warning necessary in a country which numbers paper among its major exports.

* * *

There is too great a concentration of people in Ontario and Quebec for the good of the rest of the country, plaintively asserts the Vancouver Sun. Perhaps this is so but the remedy is not emigration from the two provinces but more intensive development for the less favored. After the war Canada must concentrate in rounding out her population.

* * *

On the well-grounded assumption that Canada cannot be really prosperous unless her farmers are also prosperous the Wawanesa Mutual Insurance Co. makes a special plea to urban dwellers of the Dominion to study the present serious agricultural problem. Accompanying an attractive booklet entitled, "Farming Holds the Key," a letter from the company states:

"Stressing the need for rural support all across Canada is perhaps more necessary now than it has been at any time since Confederation. In an all-out effort to win the war it is easy to allow the urge to provide men and munitions to lead those in authority to overlook the fact that an unfailing flow of Canadian farm products is equally essential."

Admittedly Canadian farmers, facing a critical labor shortage and prices still abnormally low in many lines, are in a difficult position but their position is far from hopeless with powerful "friends at court" pleading their case.

* * *

A 3,000-year-old transcription, found in the Island of Cyprus, has finally been deciphered after years of study by experts. The message, found on an ancient jar, reads, "Keep the Lid on It." We can think of no more pregnant message for antiquity to have passed on to this generation. And maybe there's some special significance here for Donald Gordon.

* * *

Psychologists have discovered that if you put a frog in a pail of hot water he will immediately jump out. But if you put him in cool water and then gradually heat it up the frog will permit himself to be cooked, apparently being unable to decide when the water is so hot as to be unbearable. It is believed that Hitler had this technique in mind when he gradually applied the heat to the recent European neutrals.

"SEARCH ME, MR. REPORTER, YOU WILL HAVE TO ASK HIM." —Cartoon by Grassick.

Post-Scripts . . . .

U. S. Financial Link

How do two countries as closely tied as Canada and the United States keep strength in those ties when trade and travel are cut to the bone by wartime restrictions?

If that question was hard to answer a month or so ago, it has become doubly difficult and twice as important since the price and wage ceilings folded down over the Dominion.

PROF. PLUMPTRE

One answer is co-ordination.

Co-ordination will keep the two economies running on parallel if separate tracks, and should allow the old lines to reopen more quickly after the war. And if co-ordination is going to work, Wynne Plumptre will deserve much of the credit when he takes over his new job at Washington.

Professor Plumptre is not going to be responsible for dictating economic policies. He is not going to tell Donald Gordon how to run the Wartime Prices and Trade Board, nor is he going to manage Leon Henderson's office of Price Administration. But he is going to tell Donald Gordon what Leon Henderson is thinking and doing and planning, and although it is no longer his main job, he will probably continue to tip Leon Henderson off about the doings at Ottawa.

Since September, 1940, Professor Plumptre has been the official ear of O. P. A. on things Canadian. Result of his work a detailed report of Canada's war activity, is soon to be published in revised and popular form under the title of "Mobilizing Canada's Resources for War." The work he has done for O. P. A. will be invaluable help in handling what amounts to one of the most important reporting assignments of the war.

Wynne Plumptre will not only report U. S. control measures, but he will have to interpret the basic significance of the steps taken, particularly in their bearing on Canada-U. S. economic relations. And in addition, he will occupy the post of financial attaché to the Canadian Legation at Washington, performing a number of liaison functions between the Canadian Department of Finance and the U. S. Treasury.

To do all these jobs properly you require more than university degrees, even the B.A. from Toronto and the M.A. from Cambridge held by Prof. Plumptre. But the M.A. from Cambridge, gained under J. M. Keynes, Britain's economic Churchill who has been belatedly recognized and appointed a Governor of the Bank of England, is a major factor in a world where Keynes's proposals are gaining acceptance. On top of these educational assets, Wynne Plumptre added the experience gained on Canada's MacMillan Banking Commission, whose report was responsible for the founding of the Bank of Canada.

Until the end of the war, few Canadians will know very much about the job Wynne Plumptre is doing for them in Washington—liaison men seldom hit the headlines. But after the war, when normal trade with the U. S. is restored, the ease with which the return to normal is accomplished will be one measure of how successful a reporter he has been.

Son of Canon and Mrs. H. P. Plumptre, Professor A. F. W. Plumptre attended Upper Canada College, graduated from the University of Toronto in 1928, and from Cambridge in 1930. Since then he has been a member of the economics staff at Toronto, first as a lecturer and more recently as assistant professor. Up to now he has been able to continue his lectures along with his wartime duties, but with the Washington appointment, Toronto undergraduates are not likely to see him except on flying visits until the new job is completed.

* * *

Churchill's "Uniform"

First pictures of Prime Minister Churchill arriving on this continent this week show him wearing the same peculiar dress that has aroused interest and speculation on both sides of the Atlantic. Some American newspaper correspondents have reported vaguely that the nautical cap, reefer or peajacket and dark trousers represented some sort of a uniform. It doesn't. Recently the Manchester Guardian explained this dress as follows:

"It is not a uniform at all. The greatcoat is a civilian one, and similar caps may be bought by anyone with a guinea or so to spare. The only special thing is the cap badge, that of the Royal Yacht Squadron, the most exclusive club in the world."

* * *

A Capitalist on Russia

Five years ago far-seeing President Roosevelt sent Joseph Edward Davies to Russia as United States Ambassador.

There was a great burst of glee from American newspapers and especially those critical of the Washington administration. They pointed out that Davies was one of the wealthiest corporation lawyers in the States, that his wife was a General Food heiress.

To send such a pair to the Union of Socialist Soviet Republics, they intimated was a diplomatic faux pas of the first magnitude. Correspondents took great pains to report in detail the luggage of the Davies claiming it included huge supplies of American foods and numerous iceboxes to keep it in.

To the critics, surprise, however, the Davies made almost an instant hit in Moscow. Tired of theory and getting down to brass tacks in preparation for the inevitable test of arms with Germany, Soviet officials apparently were glad to talk to a realist. And the Davies, too, found much to admire in this awakening nation that was tackling a stupendous job of reconstruction.

The other day Davies was in Montreal and in an editorial this is what the staid and steady Gazette had to say about the unusual ex-ambassador and the Russians:

"In Montreal yesterday, ex-Ambassador Davies gave us a few maxims from that store of commonsense that made him such a successful envoy to Soviet Russia. "I am anything but a Communist," he said, "I am a capitalist. But they are a wonderful people." And he told a few reasons for that opinion — how the Soviet leaders foresaw the Hitler menace, how they diverted first fourteen, then twenty-two, finally fifty-four per cent of the national income to armament production—this in the years when the great democracies, still unemployment-ridden, were sending great stocks of scrap and ore to the roaring gun mills of Germany and Japan.

"What Mr. Davies had to say about religion in Russia was good news, and he backed it with personal observation. But we should remember that this is basically irrelevant. As Bruce Hutchinson pointed out in an article recently, we won't help Christianize the Russians by letting them down now, and to cast doubt on their good faith is, as Mr. Davies said, 'unwise, unjust and un-Christian'. Rather, as the former Ambassador suggested, let those who do believe in God thank Him on bended knees that 'He has given us 18,000,000 men who have set Hitler back on his heels.'"

* * *

Alberta Booster

One of the Dominion's keenest students of Canadian history, particularly regarding Alberta and the West, John Blue has resigned his position as secretary of the Edmonton Chamber of Commerce because of ill health. He will leave his post on Dec. 31 after 20 years' service to Edmonton's businessmen and the community at large.

JOHN BLUE

Mr. Blue is a native of Chelsea, Ont. The son of Scottish parents, he spent his early life on the farm. In 1906, on the day he graduated from the University of Toronto, he came west to Edmonton. He has played a prominent rôle in that city's affairs ever since.

Mr. Blue became an authority on matters relating to Alberta through his own efforts. On arriving in Edmonton in 1906 he went to work for the late Hon. Frank Oliver as a reporter on the Bulletin. Mr. Blue's hobby of reading and re-reading early editions of the paper aroused his interest in the West's history.

This study of early days was climaxed in 1924 with the publication of "Alberta: Past and Present," a history of the province in three volumes.

What few of his innumerable friends in Edmonton did not know about Mr. Blue was that in 1920 he graduated from the University of Alberta law school. He did not article to any law firm, but in that same year became the Chamber of Commerce secretary.

Throughout the years John Blue has been one of northern Alberta's staunchest boosters. His public speaking appearances in cities, towns and flag stations throughout the West run into the hundreds. He has an amazing knowledge of affairs of state, trade, commerce, industry and agriculture. Many a businessman stuck for an answer to some problem has been known to reach for the telephone, saying: "I'll phone John Blue, he'll know."

Between his stint as a newsman and the start of his Chamber secretaryship Mr. Blue served 15 years as provincial librarian. He took that post at the request of Premier Rutherford in 1907, taking over when the library was just starting.

In recent years he has done much to arouse interest in the wealthy north country. He has no plans at present but hopes to take a well-earned rest in the hope of regaining his health.

Other People's Views . . . . . .

The Canadian Editorial of the Week

Tragic Nonsense
Ottawa Journal

We are hearing much these days about the Canada-United States Joint Board of Defense. Such an arrangement, we are told, should make us all feel more comfortable, now that Japan is in the war.

Doubtless this is right. Under the joint defense scheme a landing of Japanese troops at Vancouver or Prince Rupert or Victoria would bring United States troops to our assistance.

What if Japanese troops landed at Seattle?

Government spokesmen and inspired voices tell us that the great thing now is our army to "defend Canada in Canada," those young men who have been conscripted for service at home. With Japan in the war, they say, the wisdom of the government in raising this home army has been vindicated. The thing, in other words, is for an army on our Pacific coast.

Well, if the Japanese landed suddenly at, say, Seattle, and the United States called upon us (as they would have a right to call upon us) for aid in repelling the invaders, could we send the aid? Send our troops who have been conscripted for "home service"? To "defend Canada in Canada"?

We couldn't. Not under the law.

The United States would send troops, or stand ready to send troops, to Vancouver or Prince Rupert or Victoria, but if the United States sent us a rush call for Canadian troops to help them at Seattle or in Alaska we should have to say to them: "Sorry; these lads of ours can only fight for Canada in Canada; can't fight for Canada elsewhere!"

Let's get rid at this time of this tragic nonsense of an army to defend Canada in Canada! What must our neighbors and our Allies think of us? What must the United States think of us? The United States is raising an army of millions of men to go anywhere in the world, to go anywhere where the enemy may be found and fought.

As Others See Us

Everyone a Policeman
Napanee (Ont.) Beaver

A staff writer in The Financial Post, in the issue of December 6, has this to say about the price ceiling:

"The housewife who buys from the corner grocery store, the husband who eats his lunch at his favorite restaurant —in short the public at large—are specifically being charged with responsibility for policing prices under Wartime Prices and Trade Board policy. No special body of men will be employed for this job."

This price ceiling business is something new, and it makes every man Jack of us, a policeman, and every woman a policewoman. If this new and drastic Act is going to work, if it is going to prevent the terrible economic catastrophe which followed the last war, then everybody must take it seriously.

* * *

Valuable Now
Havelock (Ont.) Standard

Last week's Financial Post carried a most interesting story of the development of the nepheline deposits at the head of Stony Lake, and revealed that these deposits, and others near Tory Hill and Bancroft, carry deposits of alumina content, and are now considered as possible sources of aluminum for our war effort.

Back in 1910, Adams and Barlow, working on geological survey for the Dominion Department of Mines, drew attention to the extensive deposits of nepheline syenite in the Haliburton-Bancroft area, including the Blue Mountains, but little interest was aroused at that time, as nepheline was of little or no commercial importance. But a few years ago Ventures Limited became interested in the Blue Mountain deposit and eventually American Nepheline was formed to turn out material for pottery and enamel trades.

"Together with other free peoples, we are now fighting to maintain our right to live among our world neighbors in freedom and in common decency, without fear of assault."—*F. D. Roosevelt.*

What the Papers Are Saying

The New Labor Minister

Ottawa Citizen

The appointment of Humphrey Mitchell to be Dominion minister of labor may be a notable step toward total war government. He has been made minister because he is the best man for the position, irrespective of party politics.

Halifax Herald

Hon. Humphrey Mitchell, who becomes Canadian Minister of Labor has had long experience in the labor movement.

The office of Minister of Labor is a keypost in wartime, and the new Minister will have the best wishes of all as he takes over these highly responsible duties.

Winnipeg Free Press

The appointment of Humphrey Mitchell as Minister of Labor has added considerable strength to the Canadian Cabinet. Of this, there can be no doubt.

As Minister of Labor he will represent all labor, organized and unorganized, craft and industrial, in the Canadian Cabinet. His appointment will do a great deal to restore the confidence of Canadian labor in the Canadian Government.

Winnipeg Tribune

The Dominion government is to be congratulated on the appointment of Humphrey Mitchell as Minister of Labor.

It is to be hoped that the principle of going outside of party lines and choosing the man for the job will not be confined by the Dominion government to this one appointment.

Edmonton Journal

Mr. King was on sound ground when he said last evening, in announcing the changes in his Cabinet, that too much importance cannot be attached to representation in the government of labor's point of view—"and that more than ever in time of war." But this has been urged upon him constantly and the step that he has now taken has been delayed altogether too long.

Now that Mr. King has broadened his government to the extent of giving representation to "labor's point of view," is it too much to hope that the "further adjustments" he contemplates will mean the inclusion of those who will bring still other points of view to the work of the Cabinet that it lacks at present?

Toronto Star

Premier King has made an excellent choice in appointing Mr. Humphrey Mitchell, former Labor member for East Hamilton, as Minister of Labor. There can be no doubt of the genuineness of Mr. Mitchell's Labor affiliations and experience, for he has been an active Canadian trades unionist for twenty-two of his forty-seven years, as was his father before him.

Toronto Globe and Mail

In appointing Mr. Humphrey Mitchell as Minister of Labor Prime Minister King has taken a major step toward what should be a thorough Cabinet reorganization for the handling of the problems of the day. It substitutes the practical for the theoretical.

Mr. King has made a choice here that could hardly be improved upon. We can anticipate the inauguration of a labor policy which will introduce some of the spirit of the Old Land into wartime labor relations. The introduction into the Cabinet of a few more experts on other phases of the war effort would be welcome news for the public.

Ottawa Journal

Mr. Humphrey Mitchell should make a good Minister of Labor. He is only 47. He had four years in the House of Commons. He has long been a prominent figure in the trades union movement, and has had administrative experience in the Department of Labor itself. He is a Labor leader, in fact, in the tradition of Mr. Bevin and Mr. Tom Moore.

Sayings of the Week

"Everything that free men cherish on this side of the grave is in peril in this war."—*W. L. Mackenzie King.*

* * *

"In the past we have had a light which flickered. In the present we have a light which flames. In the future there will be a light which shines over all the land and sea."—*Winston Churchill.*

* * *

"If Canada is to make good the oft-repeated assurance that we are engaged in a "total war" and on a scale commensurate with the implications of that declaration, and having regard to recent startling developments, then it is essential that much more be done to put this nation on a total war basis."—*R. B. Hanson.*

* * *

"Our decision is clear. It is forced upon us. We must fight with everything we have."—*Herbert Hoover.*

* * *

"As Canadians, deeply concerned with the happiness and welfare of our fellowmen and with the future of our country, let us one and all, each in the sphere of [illegible] own activities, unite our efforts to promote our national unity."—*Cardinal Villeneuve.*

* * *

"The war is not England's, it is that of all civilized countries. We are fighting firstly for the defense and liberty of Canada, and secondly to deliver the peoples that are Hitler's slaves from their chains. Is our response large enough, generous enough? It is not if we do not consent to give all."—*Brigadier Georges Vanier O.C., M.D., No. 5.*

* * *

"I don't see how we can run two armies at the same time, one enlisted voluntarily and the other called up. I don't see how a soldier can be sent to the Pacific coast and told he cannot put his feet in the water off the coast. Such policies are too illogical to support."—*Ralph Maybank, Liberal M.P. for Winnipeg South Centre.*

Stop Me If . . . .

A farmer, visiting his son's college and wandering into the chemistry class, saw some students experimenting.

"What are you trying to do?" he asked.

"We're endeavoring," replied one of the students, "to discover or invent a universal solvent."

"What's that?"

"A liquid that will dissolve anything."

"That's a great idea," agreed the farmer. "When you find it, what are you going to keep it in."

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The Year In Business

Specific developments during the year reflecting general business conditions are:

The Financial Post Business Index rose far above previous records, the average gain for the first 11 months of the year being more than 12% over last year.

The national income rose by more than 10% in the first eleven months.

More people were employed, the D.B.S. index for employment in all industries being 22% higher than a year ago.

It cost more to live, the D.B.S. cost of living index rising about 8% during the year and being practically 15% above the pre-war level.

Taxes were sharply increased. The rate on the first $1,000 of income was raised from 8% to 15% and the National Defense Tax to 5% and 7% where it had been 2% and 3% previously. The Excess Profits Tax was increased from a minimum rate of 12% to 22%.

Railway carloadings expanded 14% owing to the large volume of war materials moving. Railway gross earnings consequently were higher, gross for the Canadian National showing a gain of 23% and the C.P.R. of almost 30%.

Flour production jumped 26% in 10 months with exports for 11 months up 60%.

Newsprint production declined 2% in the first 11 months with exports for 11 months more than 4% higher.

Total Canadian foreign trade has increased approximately 35%. Total to the end of October was over $2.5 billions up $659 millions from 1940. The excess of exports over imports was $135.5 millions, compared with $98.7 millions in 1940.

There was more building in Canada, the value of contracts awarded rising 13.9% to $374.8 millions up to December 1.

Canada borrowed over $800 millions in her third war loan floated in June. Of the total, over $730 millions was new money, the largest amount ever raised in one loan in Canada.

Public bank deposits rose 6.8% with current loans up 13.3%.

Automobile production reflects the war pressure, output of trucks being up 61% with passenger cars down 11%.

WEEKLY INDICES

TREND OF BUSINESS—	Dec. 13	Dec. 6	Nov. 29	Nov. 22	Dec. 14/40
Weekly index of business, D.B.S.	116.7	115.7	116.0	113.7	108.7
Commodity prices, index no.	93.5	93.6	93.9	93.9	84.3

MONTHLY INDICES

	Nov.	Oct.	Sept.	Aug.	Year Ago
■The Financial Post business index	*168.0	168.0	167.4	162.5	153.4
National Income, D.B.S.•	....	b440.9	446.4	442.9	426.7
Retail sales index no.	....	138.0	136.4	146.5	120.1
Dept. store sales index no.	....	136.4	136.6	146.1	120.9
Wholesale sales index no.	....	170.6	170.8	156.6	143.4
Country store (% change pr. yr.)	....	+8.1	+11.9	+11.3	+3.6
Divd. payment index♦	119.0	118.2	118.4	118.6	122.2
COST OF LIVING—					
D.B.S. index	116.3	115.5	114.7	113.7	107.8
EMPLOYMENT INDEX Nos. D.B.S.					
All industries	....	165.8	162.7	160.6	136.2
Manufacturing	....	185.0	181.5	176.9	143.8
Payroll index (a) (1937=100) ...	....	189	174	173	142

RAILWAYS—	1941	1940	Jan. 1 to date 1941	Jan. 1 to date 1940	% Change
■Carloadings (week Dec. 13)	62,086	58,281	3,086,673	2,714,711	+13.7
■C.N.R. gross (week Dec. 14) $	6,322,300	5,349,721	288,803,231	234,226,888	+23.3
■C.P.R. gross (week Dec. 14) $	4,767,000	3,736,000	209,672,000	162,063,000	+29.3
■C.N.R. net revenue (Nov.) $	5,719,836	5,524,224	60,347,891	38,733,861	+55.8
C.P.R. net revenue (Oct.) $	5,937,888	5,470,639	35,665,559	25,760,614	+38.5
IRON AND STEEL—(October)—					
Pig iron production (tons)	137,114	109,385	1,082,222	948,841	+14.0
Steel ingots and castings prod. .... (tons)	225,853	185,081	1,971,909	1,649,639	+19.5
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* ... (Oct.)	3,879	4,827	76,390	85,398	—10.5
■Factory output .. (Nov.)	7,003	10,814	87,394	98,366	—11.1
Trucks and Buses:					
Domestic sales ... (Oct.)	1,848	1,665	30,436	25,093	+21.3
■Factory output .. (Nov.)	14,542	12,807	162,724	101,288	+60.7
Financing:					
Used .... (Oct.) $	3,192,669	3,312,672	45,413,191	36,178,186	+25.5
New .... (Oct.) $	1,598,040	2,156,746	32,312,230	28,059,646	+15.2
CONSTRUCTION—					
Contracts awarded .. (Nov.) $	22,889,500	54,981,900	374,881,400	329,091,500	+13.9
■Cement prod. bbls. . (Oct.)	1,042,685	1,099,092	7,324,025	6,627,710	+10.5
AGRICULTURE—					
Flour prod., bbls. .. (Oct.)	1,595,931	1,872,514	17,229,805	13,590,356	+26.8
Flour exp., bbls. ... (Nov.)	586,513	682,718	10,508,955	6,625,291	+58.6
Wheat exp., bush. .. (Nov.)	22,105,053	17,277,560	178,375,298	127,407,260	+40.0
Cattle sales▲ .... (Nov.)	131,067	123,596	1,123,504	1,062,519	+5.7
Hog sales▲ .... (Nov.)	704,140	654,218	5,627,343	4,766,632	+18.0
SEA FISHERIES—‡					
Catch cwts.▲ .... (Oct.)	1,056,300	1,053,300	9,486,500	9,580,700	—0.9
Landed value ...... (Oct.) $	2,377,000	1,669,600	23,050,830	16,236,300	+42.0
NEWSPRINT—					
Production tons ... (Nov.)	300,308	282,344	3,125,042	3,165,906	—1.3
■Exports .... (Nov.) $	14,205,000	13,348,000	142,794,000	136,478,000	+4.6
MINING AND OILS—					
Coal prod., tons ... (Oct.)	1,867,666	1,734,009	14,535,316	14,017,445	+3.7
Coal import, tons ... (Oct.)	2,896,383	1,594,611	17,179,698	15,243,177	+12.7
■Gold-rec., fine oz. . (Nov.)	415,265	456,230	4,679,764	4,550,063	+2.8
Crude oil, imp. gals.† (Oct.)	154,688	178,569	1,358,652	1,239,104	+9.6
ELECTRIC POWER OUTPUT—(October)					
Total monthly, 1,000 kw.h.'s	3,140,317	2,487,455	27,040,578	24,971,047	+8.2
FOREIGN TRADE—♦					
Imports .... (Oct.)	$140,819,038	108,644,852	1,188,715,434	877,364,556	+35.4
Exports .... (Oct.)	$139,677,763	106,790,810	1,324,284,800	976,102,781	+35.6
OTHER INDUSTRIAL FACTORS—					
■Dressed lumber exp.: 1,000 bd. ft. ...... (Nov.)	182,495	231,532	2,142,590	2,261,389	—5.2
Shoes, prod., pr. .. (Oct.)	3,141,512	2,531,659	26,975,064	21,985,976	+22.7
Cotton consump., lb. (Oct.)	18,341,242	16,662,648	165,591,120	158,881,558	+4.2
Raw rubber imp. lb. (Oct.)	9,923,038	18,056,804	137,178,658	86,140,318	+59.3
■Cigarette cons., No.† (Nov.)	753,932	686,868	7,861,717	6,999,004	+12.3
Sugar manufactured .. lb.§	162,213,036	174,045,529	941,580,290	886,565,423	+6.2
FINANCE—					
■Bank debits† ...... (Nov.) $	3,426,906	3,049,322	35,556,411	31,229,127	+13.8
Bond sales† .... (Oct.) $	341,700	112,136	2,169,983	1,855,122	+16.4
■Life insurance sales (Nov.) $	44,984,000	32,899,000	381,743,000	331,490,000	+15.1

*D.B.S. All Canada figure covering 90% of the Canadian Total.
‡Unrevised figures covering N.S., P.E.I. N.B., Que., B.C.
▲Total at yards and plants. New items for week marked ■
†000's omitted. §For four weeks to Nov. 1. ♦Gold excluded.
•Millions of dollars. *Preliminary. ♦Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce. (b) Priliminary.

Although sharply above depression levels and showing moderate gain over last year, priorities, labor scarcity and rent control hold building well below 1929 peaks.

November Business Index Holds Same High Level

The Financial Post Business Index held steady in November at 168.0, the same figure as for October, this being the high point so far for the index.

Output of refined sugar showed a considerable gain in the month while production of manufacturing concerns based upon animal products recorded an increase. The boot and shoe industry was more active along with railway traffic. Counterbalancing these increases were a lower rate of operations in forestry, a drop of new business for the construction industry and a less than normal seasonal increase for automobile production.

MAJOR ECONOMIC FACTORS

	November 1941	November 1940	Increase+ Decrease— %	October 1941
The Financial Post business index‡ ...	*168.0	153.4	+9.5	168.0
Bank deposits‡	140.9	131.6	+7.1	139.3
Gold receipts at mint .... fine oz.	415,265	456,230	—9.0	443,896
Silver shipments .... fine oz.	1,602,120	1,030,386	+55.5	1,769,677
Sugar manufactured .... lb.	162,213,036	174,045,529	—6.8	112,873,617
Cheese, factory production .... lb.	7,228,846	5,907,729	+22.4	15,184,804
Butter, creamery production ...... lb.	14,985,123	15,048,984	—0.4	24,963,644
Newsprint production .... tons	300,308	282,344	+6.4	318,787
Planks and boards exported .... M. ft.	182,495	231,532	—21.2	233,280
Shingles exported .... squares	223,392	163,766	+36.4	290,659
Cattle slaughterings .... no.	157,136	150,736	+4.2	185,301
Hog slaughterings .... no.	714,531	698,225	+2.3	673,465
Automobile production .... no.	21,545	23,621	—8.8	19,360
Carloadings .... no.	285,818	259,208	+10.3	312,528
Contracts awarded .... $	22,889,500	54,981,900	—58.4	29,082,800
Bank debits $000	3,426,906	3,049,322	+12.4	3,627,177

*Preliminary. ‡1926 equals 100.

On the Record

P. Bechard of A. Belanger Ltée, Montmagny, Que., to represent the Quebec manufacturers on the Stove Advisory Committee.

An old automobile will yield enough scrap to make a tank cannon and 25 will build a tank, F. B. Kilbourn, Steel Controller, stated, appealing to owners of old vehicles to turn them in for scrap.

Kapok supplies have been frozen. It is used in lining airforce flying suits and life jackets and floats needed by the Navy and Army.

W. Park of the T. Eaton Co. appointed assistant to the chairman of the W.P.T.B.

Dyestuffs Advisory Committee appointed by J. D. Lorimer, Chemicals Controller. Members are: **Edward A. MacKinnon**, Canadian Industries Ltd., Montreal, chairman; **E. Camp**, National Aniline Co., Toronto, vice-chairman; **K. Horner**, L. B. Holliday Co., Montreal, secretary; **C. Fieldhouse**, Ciba Co., Montreal; **A. Jenny**, Onyx Oil & Chemical Co., Montreal; **W. Loebel**, Sandoz Chemicals Works, Toronto; **E. Nessler**, Calco Chemical Co., Toronto. Mr. Horner and Mr. Jenny will also represent the smaller British and American suppliers respectively.

Drummond Giles, vice-president and Eastern Canada District manager, Canadian SKF Co. Ltd., named associate director general of the Industry and Sub-contract Co-ordination branch, Department of Munitions and Supply.

Pig tin stocks frozen temporarily pending an order curtailing the use of tin in many products.

1941 consumption of lumber for direct war purposes was equivalent to 500 train loads of 35 cars each. Approximately one million feet per day are needed to meet government requirements. A. S. Nicholson, Timber Controller, administers price control of lumber, sash, doors, millwork, veneer, cooperage, and woodenware of all kinds.

Refrigerator and washing machine output to be further reduced. Order prohibits production during any calendar month commencing Jan. 1, of more units of each class designated than 60% of monthly average of that group made in 1940.

Thirty-two keels have now been laid for the cargo vessels being built in Canada. Five have already been launched—one on the west coast, and four on the St. Lawrence.

Clifford Charles Hunt, vice-president and secretary-treasurer of W. D. Stevenson and Hunt Insurance and Real Estate Brokers, London, deputy regional director of the London division of W.P.T.B.

H. W. Peterson, chief, Livestock Production Service, Department of Agriculture, appointed livestock and meats administrator.

T. K. Wade, managing director Anglo-American Direct Tea Co., Toronto, tea and coffee administrator.

E. T. Shoemaker, vice-president and general manager, McBrine Co., Kitchener, luggage administrator.

C. T. Morrow, secretary-treasurer, Lunenberg Sea Products, Ltd., director of Atlantic fish products.

Mod. Containers Cuts Tin Use

New Composition Tube Being Made to Conserve Tin—Profits Higher

Manufacture of a composition collapsible tube containing less tin than regular types is being adopted by Modern Containers Ltd. The company is to be allowed sufficient tin for the new type composition tube, which is already being made in the United States.

On Dec. 16, 1941, the government froze all stocks of pig tin as a temporary measure designed to conserve existing tin stocks pending issue of an order to curtail use of the metal in many products.

Modern Containers has been very busy during 1941 an dhas been doing some war work. Profits are running ahead of 1940 but increased taxes are expected to take a good percentage of the increase.

Rent Pegging Injustice Claimed by Realtors

More complaints that the pegging of rents has created an inequitable situation among property owners have been carried to Mr. Justice Hyndman, Rent Controller, by a committee of real estate men from several Ontario cities, Winnipeg and Montreal.

For Windsor where rents were pegged as of Jan., 1940; real estate men claimed that rents then payable were at a very low figure due to the great amount of unemployment and vacancies, and that, in consequence, many property owners were not receiving enough to carry the expenses of their property and unless they had other resources, would lose their property.

A similar situation exists in Hamilton where rents were pegged last January, it was maintained.

On the other hand, in places where a special rent control order had not been issued, rents had gradually increased, and so, when pegged as of Oct. 11, 1941, by the general order-in-council, a much fairer rental was being paid, they contended. This was held to be an injustice to property owners of Windsor and Hamilton in comparison to the property owners in other places.

Local Committees on Way

The committee of real estate men suggested that it would be desirable to have local committees to which complaints could be referred, similar to the committee said to be working successfully in Toronto. Mr. Hyndman said it was his present intention to appoint a county judge at each centre for this purpose.

How It Works—Now

Mr. Justice Hyndman cleared up several points on Rent Control.

The new order-in-council does not affect any rentals already fixed by the Rent Controller, he said, but future appeals will be considered under the new order as from Oct. 11, 1941.

A graduated lease, if made before Oct. 11, 1941, will be in effect and the increased rentals called for will be payable upon the dates fixed by the leases and the same for leases made prior to Oct. 11 providing for a fixed rental with a percentage of sales.

In regard to long leases about to expire which were originally made at a time of depression—say in 1932 and renewable in 1942—it was ruled that any such increase in rent would have to receive the approval of the Rent Controller or of a local committee, subject to his approval. It was pointed out that tenants of mercantile or manufacturing properties were obliged to take long leases and arrange for their renewal a considerable time before expiry and that in some cases negotiations had already been carried on and terms agreed upon for renewal of leases falling due after Oct. 11, 1941.

In a case where a tenant renewing a lease desired extensive alterations or a new store front the request must be submitted to a local committee or the Rent Controller. However, the lease might be continued at the present rental and the tenant permitted to make the alterations he desired at his own expense.

U. S. Discontinues Paper Trade Figures

From Our Own Correspondent

MONTREAL.—The United States Department of Commerce has discontinued issuing the usual monthly statistics covering imports and exports of newsprint paper for the duration of the war.

69% of Newsprint Used In the U. S. Is Canadian

From Our Own Correspondent

MONTREAL.—Canada's share of the United States newsprint market for the first 11 months of 1941 amounted to 69%. This was the same as 1940, but was a little better than 10% greater than in 1939.

Newfoundland increased its share of the United States market by 50% during the current year, in proportion to the total U. S. requirements amounting to 6%, as compared with 4% last year.

TRENDS IN THE FIELD OF INVESTMENT

Facilities for studying the frequent changes in the field of investment and the status of securities are available to this organization through its branches. These facilities are at the disposal of our clients at any of our offices.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Investment Securities

McLEOD, YOUNG, WEIR & CO.
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THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1940), $12,147,369

How high is up?

People sometimes come to us and say something like this: *"I make $40 a week. How much life insurance should I own?"*

We wish we could answer that question. But, frankly, it is a little like asking: "How high is up?" or "How long is a piece of string?" The only answer we know is: "It depends."

The amount of life insurance a man should own depends on a great many things. Each man's case is a strictly individual problem. For example: Is he married? How many children has he? How old are his children? Has he other dependents? Does he own a home? Is it mortgaged? What is his occupation? What are his other assets?

If a man is not married, he may not require so much protection as a man making the same income who is married and has four children. A man who owns a home may want to provide additional insurance to enable his widow to pay off a mortgage. War conditions may force consideration of problems that would not arise in peace time. These and a great many other considerations make it impossible to lay down any one rule or set forth statistics governing how much life insurance any particular man should own.

An average figure should never be taken as a guide in determining the insurance needs of any given individual. For instance, one man may find that a certain percent of his income will buy the kind and amount of life insurance that he should own, under his circumstances. His neighbour, on the other hand, may find that this same percent of income provides more than adequate protection.

That is why the question: "How much life insurance should I own?" can be answered intelligently only after a trained, experienced life insurance agent has made a conscientious study of each individual problem.

This is Number 44 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker, CHAIRMAN OF THE BOARD Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE, OTTAWA

What About 1942?

Sharing the Sales Spotlight with Canada's metropolitan areas today is the vast territory comprising rural Canada—a market that rates your undivided attention in 1942.

Here is a market of growing buying power, increased cash income and more stability than ever before.

That is why YOUR product should be in rural Canada NOW! .... And one publication, the Family Herald and Weekly Star gives you thorough coast - to - coast coverage of more than 300,000 farm homes . . . May we tell you more about it?

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL - - CANADA

Carry On!

In the last great conflagration, the dogged, unflinching determination of our armies to "carry on" in the face of overwhelming odds, defeats and losses, brought us at last to victory. It is the same spirit that will win the present struggle against Hitler's hateful hordes.

The order "Carry On" now includes with imperative emphasis the "industrial front." So much depends on the quality and quantity of the products of industry and the speed of delivery. On the farm . . . in the mines and forests . . . in mills, factories, foundries, drydocks . . . on the railroads and merchantmen . . . industry carries on at an ever-increasing pace. Control of this vast industrial expansion, often these days with reduced personnel, demands the most efficient office equipment, files and filing methods available. To "carry on" at this accelerated speed vital information and records must be at your finger tips when wanted!

NOW is the time for experienced help. Call "Office Specialty" today!

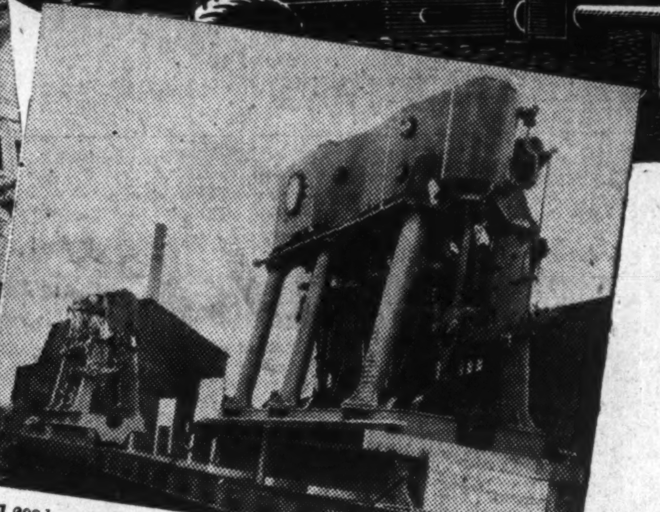
Makers of the Only Complete Line in Canada of
FILING SYSTEMS AND OFFICE EQUIPMENT

THE OFFICE SPECIALTY MFG. Co. LIMITED
Head Office and Factories: NEWMARKET, Ont.
Branch Stores in Canadian Cities from Coast to Coast

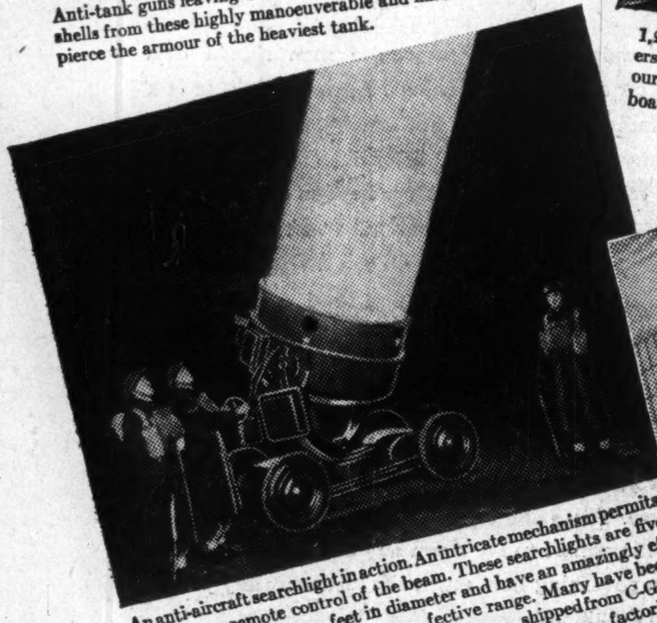
CANADIAN GENERAL ELECTRIC

Makes *Vital* Equipment

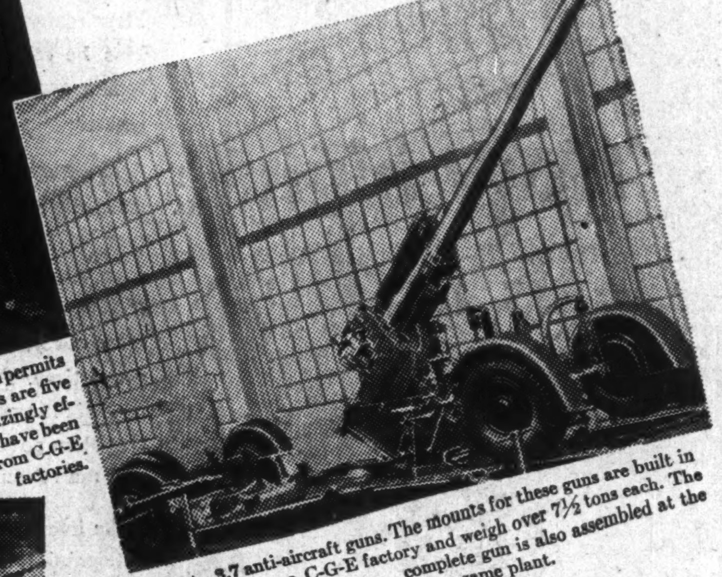
Anti-tank guns leaving C-G-E factory for shipment overseas. The shells from these highly manoeuverable and hard-hitting guns will pierce the armour of the heaviest tank.



1,200 hp triple-expansion marine engines for minesweepers. 2,800 hp engines will soon be coming from our production lines to power the cargo boats being built in Canada.



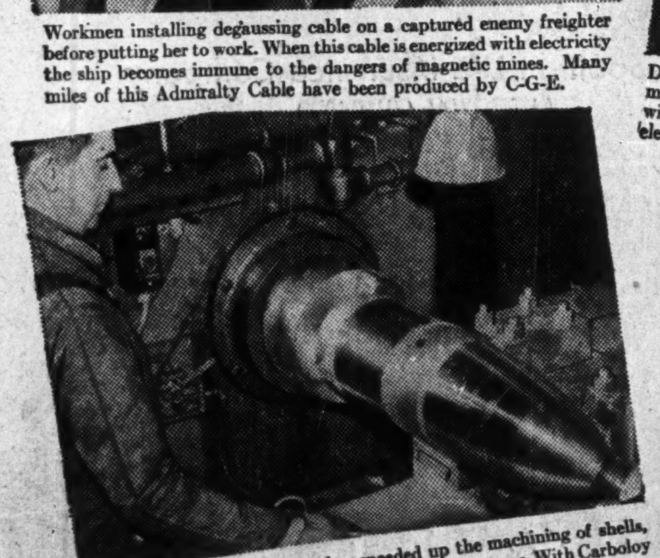
An anti-aircraft searchlight in action. An intricate mechanism permits remote control of the beam. These searchlights are five feet in diameter and have an amazingly effective range. Many have been shipped from C-G-E factories.



3.7 anti-aircraft guns. The mounts for these guns are built in a C-G-E factory and weigh over $7\frac{1}{2}$ tons each. The complete gun is also assembled at the same plant.

Workmen installing degaussing cable on a captured enemy freighter before putting her to work. When this cable is energized with electricity the ship becomes immune to the dangers of magnetic mines. Many miles of this Admiralty Cable have been produced by C-G-E.

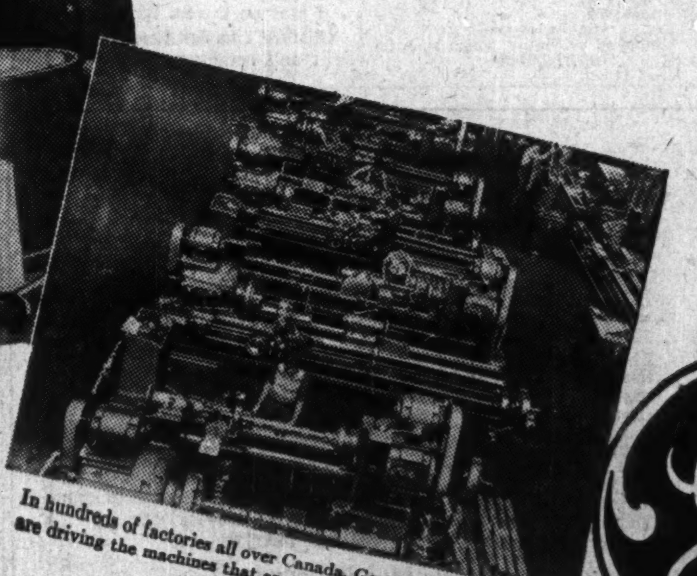
Delicate instruments are an important part of the plane. C-G-E makes many types of these instruments as well as wires and cables to carry electricity to them.



Carboloy, a C-G-E product, has speeded up the machining of shells, three to five times over that possible during the last war. With Carboloy tools, cutting speeds up to 400 feet per minute are commonly used.

This hydro-electric generating station is one of the largest in Canada and has at present ten 50,000 hp, forty-foot diameter G-E generators. Electricity is the vital force behind Canada's war industries.

Gun barrels being heat-treated in G-E electric furnaces. Electric heat is being used in many other war-manufacturing processes.



In hundreds of factories all over Canada, General Electric Motors are driving the machines that are making the tools of war.

for LAND . . . SEA and AIR Operations

There's a war to be won and the front line runs through the factories. Canadian General Electric with its vast resources is rapidly becoming one of Canada's largest producers of war equipment. It is manufacturing a wide variety of vital war needs such as anti-tank guns, anti-aircraft guns, marine engines, anti-aircraft searchlights, aeroplane instruments, wire and cable, and a host of other necessary supplies.

For other companies building war requirements, Canadian General Electric is making essential electrical equipment, and is also producing apparatus to develop, transmit and utilize electrical energy, which is essential to the all-out effort to meet the urgent demand in Canada's war production.

CANADIAN GENERAL ELECTRIC CO. LIMITED

Business Leaders' Forecast For 1942

Pattern of business in wartime clarifying, but grave problems ahead in coming years

(Please see pages 10, 14, 15)

D. C. Durland

President, Canadian General Electric Co. Ltd.

Never in the country's history has there been such a demand for electricity. Never has the need for power been more imperative. But power and the equipment to harness that power keep pace with armament requirements, though Canada today is using over five times as much electricity as in the last World War, and month by month, as war industries expand, the demand grows.

The actual increase in the use of electrical power for the first nine months of 1941, as compared with the corresponding period of 1940, was 6.5%. But this does not give a true indication of the greatly increased use of electricity for war production, as a substantial quantity of electricity formerly used in electric steam boilers is now being utilized for other purposes. The central station output for uses other than electric steam boilers will show an increase of over 20% during 1941.

The 190 firms that comprise the Canadian electrical apparatus and supplies industry employ over 30,000 persons and in 1941 their products had an estimated value of more than $170 millions, an amount over four times the value of electrical equipment produced at the peak of the last war.

The industry is making a threefold contribution to Canada's war programme:

(a) It is building generators and hydraulic turbines to convert the power of Canada's rivers into electrical energy, as well as transformers, switchgear and other equipment necessary for the distribution of this power.

(b) It is furnishing standard and special electrical equipment to other industries that are supplying essential raw materials, and to the manufacturers who fashion them into vital war products.

(c) It is utilizing its highly developed and greatly expanded plant facilities, management and engineering organizations for the manufacture of a great variety of special war equipment, such as searchlights; anti-aircraft, anti-tank and naval guns; radio communication equipment; engines for mine sweepers and cargo boats. It manufactures degaussing cable for the protection of ships against magnetic mines, cable for the wiring of ships, signal wire for the army, instruments and other equipment for aircraft, and generators for mine sweepers and corvettes. Many hundreds of types of electric lamps have been specially developed for the navy, and air force.

F. G. Rutley

Vice-president, Foundation Co. of Canada Ltd.

The outlook for construction in 1942 is clouded by the scarcity of materials available for this industry. Certain materials have become increasingly scarce during 1941 and will be still more difficult to obtain in 1942.

War projects will provide the bulk of construction in 1942 and there will be considerable activity notwithstanding the tremendous volume completed this year. Canada is so situated geographically and has such abundant natural resources that it seems to me our war programme will necessarily continue to expand.

Private construction will tend to dry up, aided by the government policy of curtailing construction as much as possible so as to provide a post war activity.

* * *

Wallace R. Campbell

President, Ford Motor Co. of Canada.

There is only one objective for Canadian industry in 1942. That is to redouble all efforts to provide equipment for the fighting forces of the Allied democracies of the world. Productive capacities of the Dominion must be expanded to the limit and every facility utilized to the full in attaining this objective.

North America is now, more than ever before, the main arsenal of democracy. The entry of the United States into the war has given tremendous impetus to the industrial production in that country which will result in a constantly increasing output of planes, tanks, ships, munitions and all materials of war. These, together with the allied and resolute man power of all liberty loving peoples, are the essentials of victory.

Ford Motor Co. of Canada, together with other war industries in the Dominion, is prepared to accept its share of such increased responsibility. Its operations will be extended in whatever direction the Dominion government may direct.

* * *

G. Harrison Smith

President, Imperial Oil Ltd.

The demand for petroleum products by the Dominion of Canada during the year 1941 reached an all time high of some 60 million barrels, representing an increase of 25% from the peacetime year of 1938.

The Canadian petroleum industry under wartime conditions has geared its operations to meet the increased demand. New refinery installations have been and are being made to provide not only for the increased volume of output, but also for the manufacture of new products.

The extent of future demands, and the difficulties of securing adequate and prompt supplies of stocks and materials to produce and process crude oil, are the problems confronting the industry today.

The war emergency has accordingly made the search for new oilfields more important than at any time in the history of the country, and in this connection test wells are now under way in the provinces of Quebec, Ontario, Saskatchewan, Alberta and British Columbia.

* * *

H. E. Sellers

President, Alberta Pacific Grain Co., and also Federal Grain Ltd.

The western wheat farmer and the grain handling and marketing machinery of western Canada has been dealt the full force of the impact of war on an essential industry. While wheat is recognized as a prime necessity of war we find the wheat farmers unable to obtain an adequate price for their product and the handlers of and dealers in this vital commodity have been forced to convert machinery, which was built primarily for fast movement of grain, into mere storage bins.

Ottawa has partially recognized the disabilities under which the wheat farmer has been operating. Acreage bonuses in various forms have been paid and, while helpful, this does not fully meet the situation. Western wheat farmers cannot meet their increased operating costs and service their debts on wheat netting them, on the farm, 50 cents and less per bushel. If the Allies are to be assured of continued ample stocks and reserves of wheat, western wheat farming must be recognized as essential war industry and the grower paid an adequate price.

While storage space of elevator companies has been employed to full capacity the financial returns for the three war years will be found to be substantially less than 6% on capital employed when the financial returns for 1941-42 are completed at the end of the current crop year. This should put at rest unfounded reports that large profits are being earned by elevator companies as a result of the carryover of large stocks of grain in Canada. Country elevator and terminal storage rates were reduced by 33% shortly after the outbreak of war.

* * *

E. C. Grimley

President, RCA Victor Co., Ltd.

On land, on sea and in the air, radio communication, direction finding and detecting is an essential requisite to carry on operations of the magnitude, expanse and speed at which this worldwide conflict is being conducted. Accordingly the radio industry has stepped up its production of the military type of equipment. Substantial quantities have been delivered but the industry finds itself at the year end with a backlog of many times the volume turned out in 1941.

It can be predicted that the demand for radio communication equipment and detecting devices by the Canadian government and its allies will take up increasingly more and more of the facilities of the radio manufacturers with a resulting progressive curtailment of their production of normal products.

* * *

Earle Spafford

President, Imperial Tobacco Co. of Canada Ltd.

Production of cigarettes and cigars for the year 1941 shows a substantial increase over the preceeding year and it is expected that this trend will continue under the present accelerated industrial activity so long as excise and sales taxes remain at their present level.

The use of cut tobacco by pipe smokers and those who "roll their own" cigarettes is not increasing, but this is to be expected and is a very definite sign of the times.

The popularity of the Overseas Tobacco Gift Plan is increasing in proportion to the movement of troops to the various spheres of war and is a service greatly appreciated by the boys overseas. Unquestionably the millions of cigarettes supplied to our fighting forces have been a great aid in maintaining morale at its peak.

There may still be some people who regard cigarette smoking as a wasteful indulgence, but by contributing approximately $74 millions in excise and sales taxes in 1941, smokers provided, in a way pleasurable to themselves, a substantial contribution to our war effort.

* * *

D. A. Whittaker

President and managing director, Sherwin-Williams Co. of Canada.

He would be a rash man who attempted to predict with any degree of accuracy, the course of business in the coming months, because of the imponderable factors influencing it, the constantly changing international scene, and the varying fortunes of war. However, one can say with some assurance that if the war takes its expected and hoped-for course along a gradual but none the less definite approach to a final victorious outcome, business generally in Canada should maintain its present forward momentum.

The paint industry will, by the end of the calendar year, have experienced the largest volume of business in its history, and also a year of profitable operation.

Raw material shortages are becoming more acute every day, and naturally the requirements of the Dominion Government for defence purposes constantly increase as well, so that it becomes apparent that there will be less civilian goods available, although it is too early to say to what extent the curtailment will go.

Prices in the industry have been well controlled and except for the reimposition of the 8% Sales Tax, would show only about a 10% increase since the outbreak of the war, and no extensive change in consumer prices has taken place since last spring. With the imposition of ceilings the price structure will now be fixed, and, in common with many other industries, the margin from which profits are made is being reduced through increases in the cost of raw materials, wages, labor, taxes, etc.

However, the evident intention of the Federal government with regard to recent legislation is to avoid, as far as possible, all the dangers of inflation which otherwise would undoubtedly face us, and we are quite prepared in this industry to do our full share, even at some hardship and loss of profit, in co-operation with the government of the country in this most desirable and laudable purpose.

* * *

Jackson Dodds

General manager, Bank of Montreal.

Under the stimulus of war activity assets of the chartered banks have risen to the highest level on record and there has been a steadily advancing volume of bank loans from the low level of the pre-war period.

Despite the much larger volume of business now being handled by the banks, net earnings show practically no advance, largely because of increased taxation. By comparison with the profound changes which the war has brought in many other fields of activity, the net changes in the balance sheets of the banks may appear moderate. True, there has been a considerable expansion of bank credit, but the actual increase has been proportionately less than the increase of activity which it has served.

This may be explained by a number of causes: first, there was, at the outbreak of war, a large volume of idle money in the hands of corporations or individuals; secondly, the employment of money for non-essential and speculative purposes has declined; thirdly, many pre-war borrowers have repaid their loans.

The outlook for banking during the coming year, as I see it, contains little prospect of any considerable change from the present position; but it promises plenty of hard work for both management and staff, in which we shall continue to do our best to serve the people, the government and the industries of Canada in every way which may contribute toward winning the war. In the activity which lies ahead I expect to see business of a normal civilian character yield place increasingly before the needs of the great war industries which Canada has built up and which are entering upon full scale production.

(Please see pages 10, 14, 15)

"THE LIGHT OF THE WORLD"

HE Who was born on Christmas Night has said: "I am the light of the world" . . . "And this is the condemnation, that light is come into the world, and men loved darkness rather than light, because their deeds were evil . . . But he that doeth truth cometh to the light, that his deeds may be made manifest, that they are wrought in God".

—St. John, Chapters 8 and 3

★

In these days of conflict, let us permit no cloud to hide the light that shines undimmed nigh two thousand years. He that "doeth truth" sees the goal:

"ON EARTH PEACE, GOOD WILL TOWARD MEN"

★

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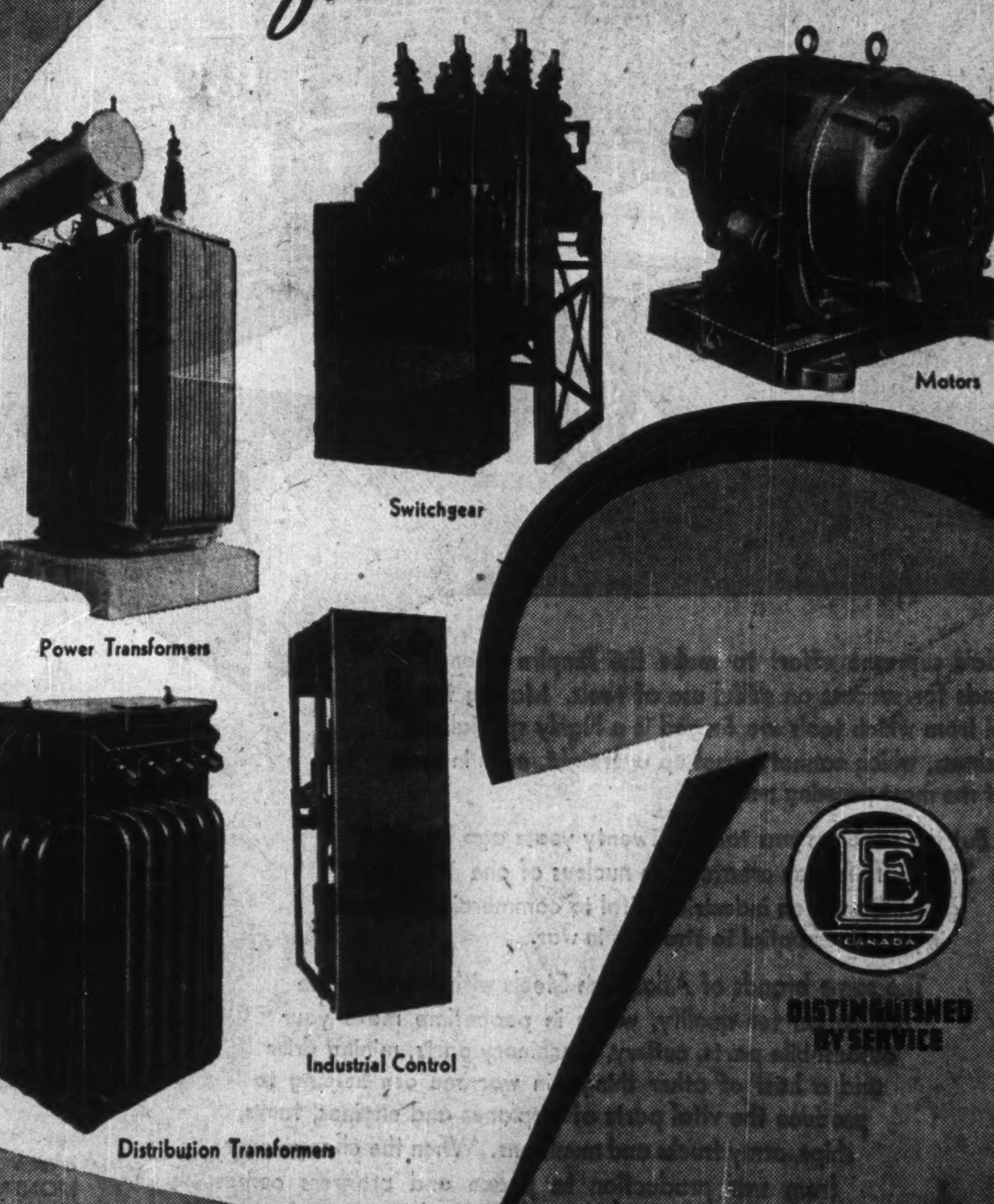

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Business Leaders' Forecast For 1942

(Please see pages 9, 14, 15)

C. L. Burton

President, Robt. Simpson Co. Ltd.

Despite greatly increased public spending power, retail trade in 1942 is faced with serious difficulties. The price-ceiling programme recently inaugurated by the Dominion government, is receiving the full co-operation of retailers in the endeavor to prevent an inflationary rise in prices.

In many instances the present cost of goods has increased over the cost of goods sold in the basic period with the result that retailers are faced with a serious reduction in their profit rate. This will be somewhat alleviated since retailers are to negotiate with their suppliers

Curtailment in the supply of goods for civilian consumption is expected to be another major difficulty. Manufacturers of consumer goods will find an ever increasing shortage of materials and man power, as war industries expand and essential supplies are diverted to war needs.

Recent restrictions on instalment buying are decidedly deterrent to retail sales. This is found to be particularly true in respect to individuals in the lower income brackets who were formerly able to make small purchases within their means and pay for them in small instalments over a period of months, as their income permitted.

On the other hand, public spending power continues to increase. Business and industrial activity have reached an all time peak as has also employment. The failure of crops in Western Canada has been somewhat alleviated by improved returns from mixed farming and the Western farmer should continue to share in the benefit from increased shipments of food to Great Britain. Due to increasing war activities, the prosperous conditions in Eastern Canada and the Maritimes should continue.

* * *

D. C. MacLachlan

President and general manager, Maple Leaf Milling Co. Ltd.

It is very difficult for anyone to attempt to appraise the outlook for the milling industry for the coming year.

The industry, as in the past, is prepared to take care of all export orders up to the limit of its capacity.

Since Japan declared war on Britain and the United States certain markets which used to be tributary to Australia must now get their flour from America. This business may develop during the coming year but it will all depend on the amount of ocean space available for flour.

Since the commencement of the war the Canadian mills have taken care of all the export business offered but there have been periods when we found it difficult to keep our mills operating due to lack of business and, as we said before, lack of ocean space for shipping.

* * *

C. F. Sise

President and chairman, Bell Telephone Co. of Canada.

The uncertainties of war obscure the outlook for 1942 in the telephone business as in other fields of Canadian industry So far, orders for telephone installations have been filled almost as promptly as before the war and, on the average, long distance and local connections have been established about as speedily as in recent years.

As we enter 1942, however, spare plant margins have largely been absorbed, shortages of certain types of instruments and equipment are anticipated, and restrictions and priorities necessitated by wartime conditions are curtailing the supply of raw materials used in the construction and maintenance of telephone plant.

These conditions are unlikely to affect the provision of additional telephone facilities deemed absolutely essential in the national interest. On the other hand, there is no assurance that a continued rise in demand for telephone service on the part of the civilian population can be met without some delays and restrictions.

* * *

J. M. Macdonnell

General manager, National Trust Co.

A trust company has two quite distinct sides to its business. In the first place it has several departments — estates, corporation trust, stock transfer and real estate—which render service and receive remuneration for so doing very much like a member of a profession. In the second place it makes earnings from the investment of its capital, reserve, guaranteed and savings funds.

So far as the first branch of trust company business is concerned, the war with its innumerable regulations and restrictions has added tremendously to our work. The Foreign Exchange Control Board, the Custodian of Enemy Property, and other government agencies have of necessity imposed a great burden of work on us which has to be done with little or no additional remuneration. We have to work much harder for what we get. Further, the great increase of taxation, particularly the new Dominion Succession Duty, has the effect of cutting down the size of estates and thereby automatically reducing our earnings therefrom.

On the other hand the greatly increasing complexity of the affairs of even the ordinary individual will, we believe, have a tendency to make the services of trust companies more generally required, and this should in the long run help our service business.

On the financial side of our business there has been little or no change in earnings from gilt-edged bonds, but on city mortgages the situation is gradually improving due to the increased industrial activity and the resultant demand for houses. The outlook for farm mortgages is somewhat confused. Prices of grains continue disappointing, but the price of other agricultural products is more satisfactory and it seems likely that with the growing need in Europe and elsewhere the position of grain farming will improve, always assuming that we are able to make a post-war settlement which will do something substantial to make international trade again possible.

* * *

A. N. Mitchell

President, Canada Life Assurance Co.

Sales of life insurance since the beginning of the war have followed much the same pattern as in the first years of the last Great War. If history continues to repeat itself in this regard, life insurance companies may anticipate a further increase in new business during 1942. The terrific pace of these times, however, makes it difficult to forecast with any assurance of accuracy just what a month, far less a year, will bring forth.

The general picture at the moment appears to be very favorable. With Canada's industrial war machine geared to still greater speed, the market for life insurance should continue to expand. At the same time, higher taxes make life insurance increasingly the only effective way in which the average man can provide future financial security for his family and himself.

Public acceptance of the business appears to be at a high level. Canadians are realizing more fully that through life insurance they can share in the nation's war effort. Also of great importance is the fact that representatives and employees are constantly more conscious that their work is an essential contribution to the nation at such a time. In short, there is increasing recognition that the more life insurance sold, the more the national interest is served.

* * *

S. A. Searle

President, Winnipeg Grain Exchange and vice-president, Searle Grain Co., Winnipeg.

No well-informed grain man ever hazards an opinion about the future of his business because he knows by experience that there are too many changing elements to make predictions even remotely accurate. We can, however, sum up the present situation and then set out a broad plan for the future.

Canada goes into 1942 with record stocks of wheat on hand and with adequate storage facilities of record proportions to house these stocks. These two facts may assume great importance in the general war scheme and will definitely play an important role in the plans for peace. Hence, wheat is not only a munition of war but is also a power for peace.

Already grain men are casting their thoughts forward to meet their post-war problems, including the major problem of regaining lost export markets. This is an intricate economic problem which can only be solved by the combined efforts of all concerned, and in this task the grain trade will willingly do its full part.

Arthur B. Wood

President and managing director, Sun Life Assurance Co.

The question most frequently asked regarding life insurance in wartime concerns the effect of hosilities on mortality experience. With the increasing number of the countries involved, it is not possible to give a precise indication of the probable experience during the coming year but it is likely that the trend of the last 12 months will be maintained. Actually, Canadian mortality experience has undergone little change from normal and even the experience in Great Britain during the war period proved to vary only about 10% from normal.

Referring to the experience of the Sun Life of Canada, which may be regarded as typical, little more than 2% of the total claims during the first two years of war were attributed directly or indirectly to war conditions. It is an interesting fact that the mortality experience in the United States which was not actively engaged in the war was less favorable than that of Great Britain during 1940. Life insurance may be relied upon to remain one of the ramparts of Home Defense.

* * *

W. A. Winfield

Managing director, Maritime Telegraph and Telephone Co.

The demand for both exchange and long distance service has shown a continuous upward trend since the beginning of the war.

So far as can be foreseen at present, the demand for service, which has increased at approximately 14% per annum since the beginning of the war, will continue the same trend during the coming year.

The shortage of equipment and necessary materials is rapidly becoming a serious problem, as is the shortage of skilled labor. Deliveries are becoming progressively slower. As these difficulties increase, it will not be possible to meet the demands for service as promptly as we have been able to do in the past.

* * *

W. R. Drynan

President and general manager, Canadian Canners Ltd.

From the fact that our production last year was the heaviest in the history of the company and that it is pretty well all sold, indicates that the effect of the war on our operations has been beneficial.

If our present plans are not interrupted through legislation, regulations or otherwise, and given favorable weather conditions with satisfactory costs, we will hope to produce as much in 1942 as we did in 1941.

* * *

George W. Huggett

President and managing director, Canadian Industries Ltd.

In view of virtual full employment of the nation's productive resources, any further expansion in total industrial output is becoming increasingly more dependent upon the proper distribution and efficient utilization of labor, equipment and materials. Chemical production, therefore, cannot now be greatly increased without some offsetting curtailment in other industries or services.

Within the industry the character of chemical products manufactured has already undergone extensive changes to meet wartime needs and concentration of existing supplies and facilities to maintain output of a narrower range of essential products is to be expected.

Centralized direction and control, rather than the functioning of price levels, is being relied upon to bring about the adjustments in industrial organization necessary for the achievement of a war economy. The efficacy of this procedure has yet to be tested

* * *

W. R. McNeil

President, Building Products Ltd.

Construction materials, such as prepared roofing in rolls and shingles, factory fabricated sidings and insulation board, which are easily and quickly put in place, continue in steady demand for use in all types of buildings which are required for the all-out war effort.

While the value and number of total construction contracts awarded has recently shown a tendency to decrease, residential construction remains at a high level and may be expected to continue for some time to account for a substantial part of the total construction, especially in the low cost field.

(Please see pages 9, 14, 15)

61 YEARS OF PIONEERING AND PROGRESS

The Employers' was founded in 1880 to provide employers with liability insurance — an unexplored field. Its success encouraged the company to extend into other fields of insurance usefulness.

The same pioneering spirit motivated geographical expansion also. The company entered Canada in 1884, Australia in 1885, the United States in 1886, South Africa in 1912, and the Straits Settlements, Egypt, China and the Philippines in 1913.

Sixty-one years ago The Employers' started collecting and distributing what grew into an endless flow of billions in varied currencies held in trust or distributed in settlement of claims, in taxes, salaries, commissions and other disbursements.

The Employers', too, has made a considerable contribution to the economic welfare of Canada. For, in the last 25 years, this Company has distributed a total of more than $28,000,000 in claims settlements alone.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED

THE EMPLOYERS' ASSURANCE

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Canada's supreme effort to make the Empire strong depends for success on skilful use of tools. Making the steel from which tools are forged is a highly specialized business, which cannot be set up overnight, even in face of the most pressing need.

But the problem was tackled twenty years ago by Atlas Steels. Then was created the nucleus of one of today's great Canadian industries, vital to commercial progress in peace, essential to strength in war.

The same brands of Atlas Fine Steels with a world-wide reputation for quality, which in peacetime make your automobile parts, cutlery, machinery parts, mining drills and a host of other things, in wartime are helping to produce the vital parts of airplanes and engines, tanks, ships, army trucks and munitions. When the change-over from war production to peace and progress comes, Atlas Steels will be better equipped than ever to render a service on Special Steels that will keep Canada and the Empire in the very front rank.

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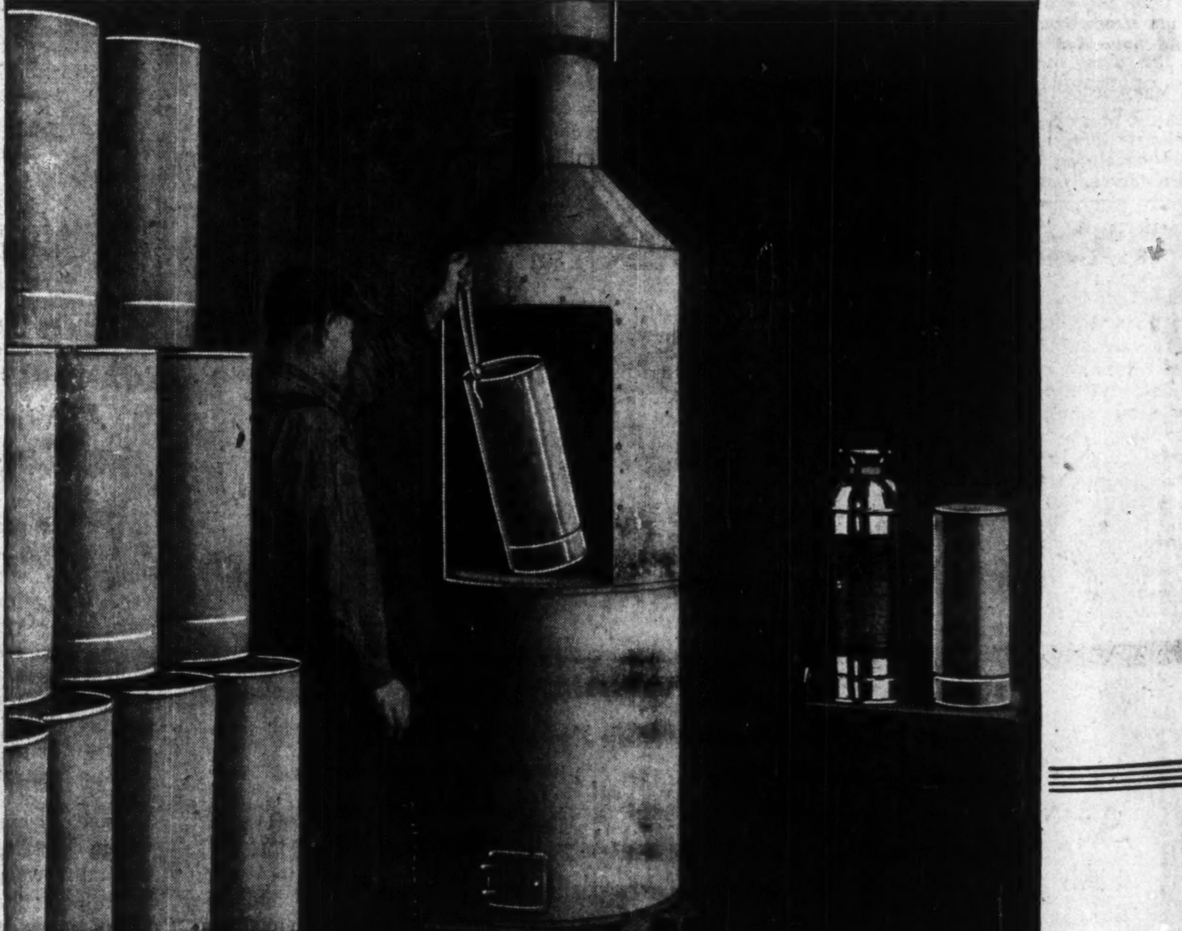

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This gas furnace is used by Pyrene Manufacturing Company of Canada, Limited, at the plant, 91 Don Roadway, Toronto, for tinning the bodies of fire extinguishers.

The use of gas for industrial heating processes is growing very rapidly. Flexible, quick, clean and easily controlled, the use of gas contributes to neatness, orderly arrangement, generally improved working conditions and improved quality of product.

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The Year Ahead — In Banking

Gains Expected to Continue

Loans and Deposits Trending Upward

Under the stress of Canada's industrial war effort, Canadian chartered banks anticipate another busy year in 1942. Continuation of the active demand for bank credit and bank services experienced in 1941 is expected. Current loans and savings deposits, it is believed, will expand further.

Annual statements of the chartered banks for the 1941 fiscal year which have appeared so far reporting conditions in the past twelve months form a basis for gauging what may be expected in the New Year.

One of the most important changes in the figures of the different banks is the expansion in commercial or current loans. These are a main source of bank earnings and hence of much importance to the banks in that respect. They also reflect the activity in general business. As this is written, the latest figures available for all the banks are as at October 31. These show total commercial loans in Canada at $1,146 millions, an increase of over $122 millions from the year before.

Financing War Industries

A large part of these loans is due to the banks financing war industries. While the government financed many operations direct, the banks were often called on to assist in other cases. These included private concerns which were given government contracts for supplies. In these cases bank credit was necessary, because, so frequently, payment for goods supplied the government was relatively slow. This was due simply to the usual routine by which accounts have to go through different channels for certification, authorization, etc. But in the meantime, the company concerned had to carry on with other work, paying wages, buying supplies, raw materials, etc. Accordingly, it turned to the banks for a loan. These loans were generally readily granted, as the existence of a government contract is regarded as good security. Then, as the outstanding accounts were paid by the government, the borrower paid off the loans.

Check on Borrowing

The increase in commercial loans due to this cause, however, was not as great as might have been expected. There were several reasons for this:

1. At the outbreak of war there were concerns in Canada with large amounts of idle money on their hands. When business became more active, owing to orders for war equipment, these companies put their own money to work rather than borrowing from the banks as they would have had to do some years before.

2. Many people who had borrowed money before the war were able to repay their loans.

3. There was less demand for loans for speculative and non-essential enterprises.

These conditions tended to offset increased demand for loans from other quarters.

Wheat loans, it is understood, have remained fairly constant during the year, but may possibly show some reduction in coming months. The large 1940 crop filled the available storage space to capacity with much being left on the farms. As storage grain moved forward for export, the available space was quickly filled by fresh deliveries from the farms. The smaller crop harvested in 1941 will possibly in coming months change this situation somewhat. As the bulk of the wheat stored in elevators is financed by bank credit, this class of loans, it is understood, has held fairly steady. But if the total supply of grain in storage in Canada is reduced, the total amount of wheat loans will likely fall accordingly.

Borrowing by Investors

In June, the month the third war loan was floated, there was a sharp upswing in current loans which was attributed in part to public borrowing to buy war bonds. The banks offered specially attractive terms to people wanting to buy bonds on easier terms than those offered by the government. Current loans that month swung upward by $159 millions. In succeeding months there has been a decline till October when they turned upward again probably due to the autumn expansion in business.

Total investments of the banks over the year have increased by $123 millions owing to purchases of war bonds.

Due to the decline in trading on the speculative markets, including the stock and grain exchanges, call loans in Canada have been lower. Both call and current loans outside Canada have shown a slight increase. This is believed to have occurred mostly in the United States where a number of the Canadian banks operate.

Borrowing by both provinces and municipalities has been substantially lower. This is attributed partly to war economies and partly to improved tax collections due to the increased income of the people.

Interest rates generally show little change, but have if anything shown a slightly easier trend. This had tended to curtail revenues from both loans and investments.

Savings deposits over the year show a decline of $7 millions. This decline is largely due to the heavy withdrawals in June to buy war bonds. Total savings deposits that month fell by more than $228 millions. In the succeeding months, they have shown a steady increase recovering $124 millions or approximately half of the total drop, in four months. As this rate of increase, by February, when the next war loan is likely to be floated, savings deposits should be back at the same level they were in May before the third loan. The rapidity of the recovery in savings deposits indicates the expansion in the national income and also that many of those who are making larger income are saving their money.

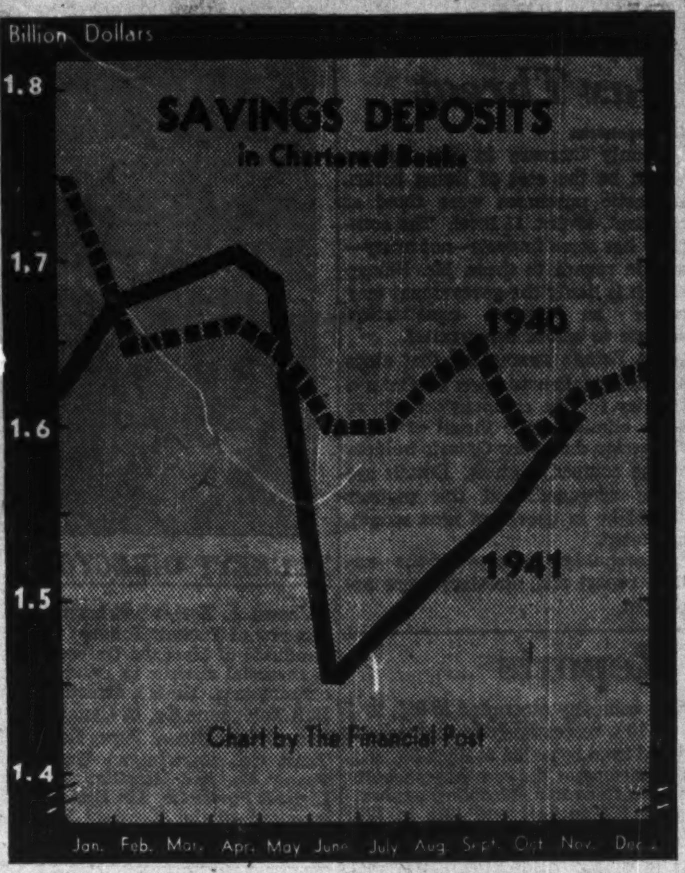
Demand deposits have increased substantially owing to the greater activity in business.

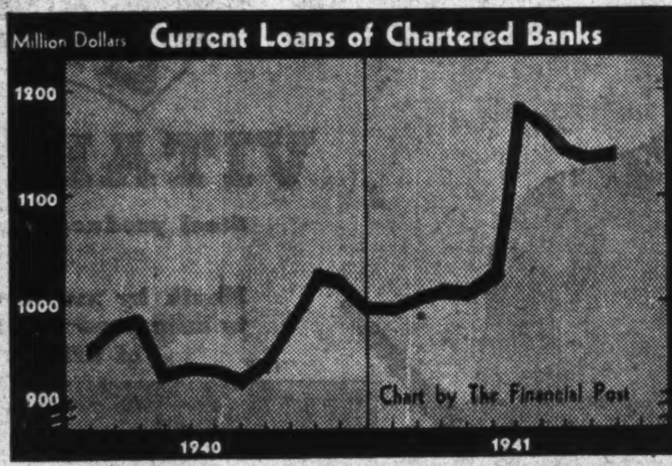
Bank Services

Revenue from bank services such as cashing cheques, collection of accounts, etc., is understood to be on the uptrend, the more active circulation of money and bank deposits being the factor responsible. These services have come to be an important element in bank revenue. Included under this head might be the services of the bank as agents of the Foreign Exchange Control Board.

Bank taxes have shown a sharp upswing in the past two years.

In the case of all banks which have issued annual statements for 1941 up to time of writing, the amount paid out in Dominion taxes alone is substantially higher than that for Dominion and provincial taxes in the previous year.





More Sterling Held By Bank

Rise of $14 Millions in Bank of Canada's Total Assets

An increase of $18 millions in holdings of sterling and United States exchange is shown in the statement of the Bank of Canada for week ended Dec. 17. The total under this head is now $165 millions.

Investments were down $11 millions, the decline being mainly in Dominion Government short-term issues. Miscellaneous assets including cheques not cleared were $7 millions higher. The net result was an increase of about $14 millions in total assets.

On the liability side, deposits were $6 millions higher, the increase being in deposits of the chartered banks, government and other deposits being lower. Note circulation was up $8.4 millions.

Liabilities	Dec. 17 1941 $	Dec. 10 1941 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	482,433,439	474,098,830
Rest fund	3,722,910	3,722,910
Depos.: Dominion ..	52,517,113	58,102,930
Banks	232,607,334	219,613,865
Other	9,420,777	10,810,584
Total deposits	294,545,224	288,527,379
All other liabs.	10,613,015	10,677,781
Total liabs.	796,314,588	782,026,900
Assets		
In sterling & U. S. ..	165,002,960	147,202,960
Subsid. coin	342,438	345,976
Investments:		
Dom. govt. short .	388,849,716	398,816,050
Other Dom. govt.	221,044,002	221,441,537
Total invest.	609,893,718	620,257,587
Premises	1,824,606	1,823,950
All other assets	19,250,866	12,396,427
Total assets	796,314,588	782,026,900

REMOVE CELANESE STOCK

MONTREAL.—At the request of Celanese Corp. of America the Montreal Stock Exchange has removed from the trading list the company's 7% cumulative first participating preferred stock.

Armed Services Take Many From Bank Staffs

One of the great problems of the Canadian chartered banks under war conditions and one likely to increase in gravity during 1942, is that of staff. In a survey recently made by The Financial Post it was estimated that as at Sept. 30 about 20% of the pre-war male staff of the 10 chartered banks combined had enlisted in the three armed services.

This has resulted in a large number of women being employed to take up the slack. Some of these have been promoted to positions such as tellers and in some cases accountants.

Staff Changes

The Bank of Montreal announces the following staff changes:

R. J. GILROY to be manager, Highgate, Ont.

G. E. MOODY to be manager, Aurora, Ont.

H. L. E. ALDRICH to be manager, Amherstburg, Ont.

C. S. HALL to be manager, St. Marys, Ont.

J. H. MATSON to be manager, Trenton, Ont.

C. A. NORSWORTHY to be manager, Chatham, Ont.

J. H. OTTMANN to be manager, Chicago, Ill.

L. L. SINCLAIR to be assistant superintendent of Quebec and Maritime districts with headquarters in Montreal.

R. C. McDOWELL to be assistant manager, Victoria, B.C.

• • •

The Dominion Bank announces the following staff changes:

JOHN DENISON to be supervisor, foreign department, at head office.

A. YOUNG, formerly accountant, St. Clair Ave. & Vaughan Rd., Toronto, to be accountant, Fairbank, Ont.

G. F. HEMINGWAY to be accountant, St. Catharines, Ont.

C. HAYES, to be accountant, Dundas & McCaul Sts., Toronto.

J. E. EWING, to be accountant, Roncesvalles & Howard Park, Toronto.

JOHN HUNTER to be accountant, St. Clair Ave. & Vaughan Rd., Toronto.

G. HULBERT to be accountant, Long Branch, Ont.

• • •

The Royal Bank of Canada announces the following staff changes:

F. A. R. JAMES, assistant manager, Vancouver, to be inspector, supervisor's department, Vancouver.

W. M. GEORGE, manager, Dunnville, Ont., to be manager, Woodstock, Ont.

E. M. JACQUES, manager, Jones & Gerrard, Toronto, to be manager, Dunnville, Ont.

H. J. SMALL, manager, Grand Valley, Ont., to be manager, Burks Falls, Ont.

J. S. M. MITCHELL to be accountant, Lima, Peru.

F. K. WILSON, manager, Portland & Arlington, Winnipeg, retires on pension.

Weekly Bank Clearings

	Dec. 18 1941 $	Change Year Ago %	Dec. 11 1941 $
Halifax	4,474,325	+24.4	3,802,565
Saint John ..	2,302,098	+18.4	2,287,470
Moncton	1,379,107	+11.8	1,160,764
Sherbrooke .	906,870	+1.2	876,402
Quebec	6,285,491	+4.2	5,061,777
Montreal ...	165,822,778	+5.7	100,551,298
Ottawa	40,946,211	+12.8	57,913,046
Kingston ...	798,252	+5.4	842,472
Peterborough	867,923	+18.0	707,356
Toronto	168,035,908	+31.6	116,446,358
Hamilton ...	7,533,685	+16.3	6,381,168
Kitchener ..	1,496,400	+13.7	1,302,893
Brantford ...	1,265,013	+12.2	1,091,553
London	3,131,542	—1.1	2,877,320
Chatham ...	981,549	+5.6	745,617
Sarnia	592,592	+3.0	537,698
Sudbury	1,040,842	+18.8	1,198,623
St. Catharines	1,496,141	...	1,322,312
Fort William	1,171,936	+31.0	990,972
Winnipeg ...	80,407,095	+21.4	62,772,002
Brandon	481,688	+21.1	451,089
Regina	5,231,710	+8.1	5,027,410
Moose Jaw .	780,709	—4.3	682,745
Saskatoon ..	1,698,963	+15.4	1,714,849
Prince Albert	489,909	+24.9	528,316
Edmonton ..	6,909,773	+36.5	5,426,954
Lethbridge .	778,875	+20.6	772,847
Medicine Hat	399,776	+19.0	380,710
N. W'minster	785,059	+0.3	898,656
Vancouver ..	20,454,934	+5.6	18,292,770
Victoria	1,902,099	—2.3	1,898,340
Calgary	7,493,828	—16.4	7,398,541

BANK DIRECTOR

Richard G. Ivey, K.C., who has been elected a director of the Bank of Montreal. Mr. Ivey heads the London, Ont., law firm of Ivey & Logan and is president or director of a number of Canadian corporations.

Plan to Offset Exchange Lack

D.B.S. Publication Hints at New Arrangement With U. S.

Possibility of other plans in addition to the Hyde Park agreements being formulated, to enable Canada to obtain the supplies she needs from the United States, in spite of an adverse exchange position, is indicated in the Dominion Bureau of Statistics' Monthly Review. The review lists four principal factors influencing Canada's supply of United States exchange as follows:

1. Very large import surplus of American commodities, the heavy wartime demand for American iron and steel being the largest single factor in this connection. It says further, "Despite increased exports of newsprint and base metals to the United States, Canada's commodity trade with that country will probably show an unfavorable balance of the order of $400 millions for the calendar year 1941."

2. Canadian exports of gold to the United States, including practically all the gold produced in the country, probably worth $200 millions in 1941.

3. American tourist expenditures, which, with Canadian travel in the United States should bring about $150 millions. The two last items, it is stated, would largely offset the unfavorable balance in commodity trade.

4. Dividend and interest payments on American held investments which amounted to about $260 millions in 1940 and should be about the same in 1941. These "are not offset by any considerable asset in our trade balance with the United States and, will, therefore, be the principal factor in our net loss of American exchange," the review says.

Efforts have been made to conserve American exchange by restricting imports of non-essential products from the United States. Such schemes, the Review continues, "must even if successful leave Canada with a large deficit. The problem, however, is apparently being solved by a general recognition in the United States of the seriousness of the situation." The Review then indicates that other plans to overcome the difficulty will be formulated.

The Canadian dollar has been weak on the free markets at New York recently falling to a discount of over 13%. In banking circles, however, this is not considered of great importance as the black market is so narrow that any amount of buying or selling will swing it sharply either up or down.

Chartered Banks Close Three Branches

Closing of three branches of the Canadian chartered banks is reported in the Bank Directory for Canada just issued. The branches closed were: Commerce at Elkhorn, Man., Imperial at Hague, Sask., and Royal at Leask, Sask. No new branches were opened.

The sub-branches of the Canadian Bank of Commerce at Port Dalhousie, Ont., and at Page & Queenston, St. Catharines, are now full-time branches.

The branch of the Banque Canadienne Nationale at St. Paul l'Ermite, Que., is now under L'Assomption, Que.

The number of branches in Canada at Nov. 30 is given at 3,303.

Serving Canada since before Confederation

1866 1941

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

The Old Canadian Company

HEAD OFFICE • OTTAWA
262 Wellington Street

511 Place d'Armes MONTREAL

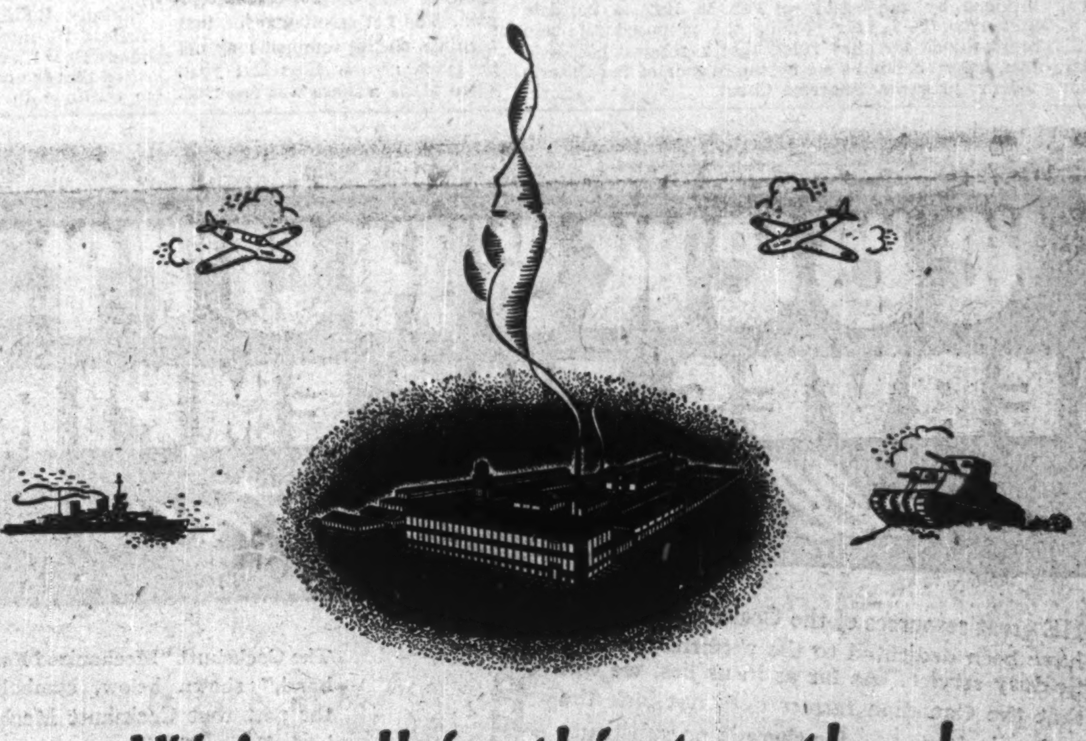
1110 Montreal Trust Bldg. TORONTO

HOWARD W. PILLOW President

CHARLES G. COWAN Vice Pres. & Man. Dir.

G. HAROLD BURLAND Sec. Treas.

Buy War Savings Certificates and War Savings Stamps



We're all in this together!

We're all in this together ... to serve the common cause of Civilization.

As another year of conflict draws to a close, our resolution is strengthened as we remember how completely our customers have thrust into the background all thought of private interest.

JENKINS BROS. LIMITED
MAKERS OF
JENKINS VALVES

Phase No. 2

AS IN all wars suddenly begun by aggressors, a temporary initiative is held by the unscrupulous attackers.

Most recent proof of this is the brief advantage gained by the Japanese through their onslaught without warning on British and United States outposts.

Phase No. 1 of the war has seen almost uninterrupted victories for the enemy.

But — we now enter the second phase, and the tide is turning in favor of the great democracies.

Production gathers momentum, man-power is mobilized, coordination is perfected, resources begin to tell, the full might of free men is brought to bear.

In this phase — the truly vital period for winning victory — let us all redouble our efforts and increase our contribution to the total strength.

The Silverwood organization — skilled in the safeguarding, processing and distribution of dairy products — realizes the importance of its function on the "food front" and the "health front"; and is dedicated for the duration to the high task of doing better work in difficult times.

At home and abroad, we are resolved to maintain the high standard of excellence we have set up for

Silverwood's dairy products

Abitibi Net Stays High

Judgment Reserved on Motion For Leave to Appeal Sale Order

Net earnings of Abitibi Power & Paper Co. for November kept up the pace set in October and September. Before depreciation, bond interest and interest on overdue interest of $270,496 and income and excess profits taxes, the company earned $1.1 million in November compared with $630,584 in the corresponding month of 1940.

November is the first full month since the payment of $130 per $1,000 on account of bond principal made Oct. 15. This is reflected in the lower monthly interest charges with the November figure of $270,496 comparing with $296,641 for September.

Included in the Nov., 1941, earnings is $200,430 received as premium on United States exchange.

Indications are that December earnings will compare favorably with those for the past three months. Estimated newsprint production of 50,000 tons for December will bring the 1941 total to 473,442 tons, only exceeded by 1937's 486,524 tons.

Monthly Earnings

	1941	1940
	$	$
January	476,993	447,776
February	517,915	389,594
March	687,529	383,152
April	695,728	525,116
May	752,858	817,458
June	718,109	885,862
July	775,152	941,390
August	866,139	802,325
September	1,087,262	731,764
October	1,148,942	702,460
November	1,114,431	630,584
11 mos.	8,841,058	7,257,481

Shipments of bleached sulphite pulp in November totalled 8,313 tons, and another 8,000 tons is estimated for December. This will take 1941's bleached sulphite shipments by Abitibi to a new record at 90,620 tons compared with the previous record of about 74,000 tons in 1940.

Newsprint Shipments

	1941	1940	1939
	Tons	Tons	Tons
January	26,141	25,800	21,688
February	28,421	23,675	20,542
March	38,196	26,964	22,333
April	34,476	30,798	24,293
May	35,494	48,597	27,201
June	35,384	48,946	24,239
July	36,825	46,168	22,199
August	38,937	38,655	25,310
September	48,472	36,697	32,694
October	51,489	37,210	37,246
November	49,607	36,411	38,668
December	*50,000	30,568	27,476
	473,442	430,489	327,889

*Estimated.

Request for leave to appeal from Mr. Justice Middleton's order granting authority to hold another mortgage sale of the Abitibi properties, and declaring the Abitibi Power & Paper Co. Moratorium Act invalid, resulted in reserved judgment. The motion was heard by Mr. Justice Roach in Toronto on Dec. 17.

At the hearing on the motion for leave to appeal, brought by the liquidator, R. S. McPherson, D. L. McCarthy, K.C., represented Mr. McPherson. Mr. McCarthy cited other legislation which prevents court actions as the Abitibi Moratorium Act of the Ontario Legislature was intended to do.

W. N. Tilley, K.C., appearing for the Montreal Trust Co. opposing the motion for leave to appeal, contended that the Ontario act was definitely ultra vires. C. R. Magone appeared for the Ontario Attorney-General and supported the leave to appeal.

Mr. Justice Middleton has already set Feb. 18, 1942, as the date for holding the proposed sale and has ruled that a reserve bid is to be set by the Master of the Ontario Supreme Court.

Sees Surplus For Oshawa

Revenues Exceed Expenditures by Over $50,000—Cut Tax 1 Mill

Basing his predictions on actual receipts and expenditures to the end of November, 1941, P. A. Blackburn, city treasurer of Oshawa, estimates that the city will end the year with a net operating surplus of over $50,000.

With the exception of half a dozen classifications, revenue accounts are stated generally to have exceeded the estimates made at the beginning of the year. Principal sources contributing to excess revenue have been the poll tax, licenses, police court fines, sale of land for building lots and for provincial highways and the provincial Hydro, while penalties on tax arrears and other minor items showed moderate declines.

Total expenditures will exceed the first of the year estimates by some $2,089.

Collections Rise

Combined collections of current and arrears taxes amounted to 110.37% of the year's levy, while current collections amounted to 92.35% of the levy. In submitting a tentative estimate for 1942, Mr. Blackburn predicts that ordinary expenditures will be greater than in 1941 by $23,700. Although the city's share of relief requirements as submitted to the Welfare Board are less than a year ago, the levy in 1942 will be greater by $10,500, since surplus in the relief account at the close of 1940 has been sharply reduced. Net result of these changes will mean that the city will have to raise $27,000 more than in 1941, equivalent to 1 mill on the taxable assessment.

This will not, it is expected, mean that the tax rate will actually have to be raised 1 mill in 1942 since there has been an increase in the taxable assessment since last year, and it will also be possible to reduce the levy for the reserve funds. The combination of these two factors is expected to more than offset any increase in expenditures, and it is expected that the tax rate for 1942 will actually be reduced 1 mill, bringing the net tax rate after allowing for the Province of Ontario subsidy of 1 mill, to 28 mills compared with 29 mills in 1941 and 30.5 mills in 1940.

Dominion Glass Plans Move To Avoid Triple Tax Threat

From Our Own Correspondent

MONTREAL. — The volume of business of Dominion Glass Co. in the current fiscal year, which started Oct. 1, should be equivalent to last year, according to a statement made at the annual meeting by L. J. Belnap, president. Owing to uncertainty regarding taxes, he added, "No one knows what the net profit will be."

In discussing price ceilings and their probable effect on the company, Mr. Belnap said the company's problem in this respect was common to most manufacturers.

Hopes For Import Relief

It is possible, he went on to say, the company's costs, like those of other manufacturers, may increase. With the basic wage of labor frozen the only increase in this respect would be the cost of living bonus. Domestic purchases were fixed at the Sept. 15-Oct. 11 level. The company has some imports—not many—and in regard to these, Mr. Belnap said it is likely the government may create an import equalization scheme to afford some relief.

Mr. Belnap announced that steps are being taken to open an Ontario registry for the company's stock, so as to eliminate the threat of triple succession duties for Ontario holders of the company's stock. Details are being arranged and the register should be in operation next month, he stated.

Shareholders approved the annual report and directors were reelected.

Company Reports

Canada Dry

Canada Dry Ginger Ale reports net profits for the year ended Sept. 30, 1941, equivalent to $2.66 a share on the common. This compares with $1.63 a share earned in the previous year.

Volume of carbonated beverages sold in the United States and Canada continued to gain last year. Important contributions were made by the success of the 5-cent bottle sold in 6-bottle cartons and further development of sales of syrup for drink dispensing machines, increased effectiveness of direct-to-dealer service and expansion of the programme of licensing bottlers, particularly for "Spur." At present 122 licenses have been granted for manufacture of one or more products in the United States and foreign countries.

In March, 1941, the company acquired B. B. Dorf & Co., and its wholly owned subsidiary, British American Distillers. The company now manufactures Holloway's gins and Nuvens cordials, products distributed by the company since 1935.

The current assets, current liabilities and earned surplus of the Canadian company amounted to 9%, 10% and 10% respectively of the consolidated total reported at Sept. 30, 1941. Net income of the company's wholly owned Canadian subsidiary amounted to 9% in 1941 and 10½ in 1940 of the consolidated net income.

Consol. Income and Surplus Account
Years Ended Sept. 30

	1941	1940
	$	$
Gross sales	23,439,028	19,259,399
Less: Discts. & allow.	735,310	809,697
Net sales	22,702,718	18,449,702
Less: Cost of goods sold	10,546,186	8,754,416
Advert., sell. & gen. and admin. exps.	9,516,606	8,467,168
Net oper. income	2,640,927	1,228,118
Add: Other income	†29,560	66,439
Gross income	2,670,487	1,294,557
Less: Misc. deduct.	18,459	40,775
Interest	8,801	5,497
Prov. for taxes*	1,005,292	246,024
Net profit	1,637,935	1,002,261
Less: Divds. in cash*	275,741	......
Surplus for year	1,362,194	1,002,261
Add: Prev. surplus	6,074,492	5,108,483
Res. for non-oper. prop. restored to surplus upon sale of part of prop.	131,081	......
Less: Adj. res. for cases	24,774	36,252
Exc. of cost of inv. in subs. over equity in net assets	18,117	......
Balance forward	7,524,876	6,074,492

†Includes a loss of $560 on account of foreign exchange adjustments.

*Includes provision in 1941 for Federal excess profits taxes of $295,794.

*Less dividends on treasury stock.

Earns. per Share:		
Common: Earned	$2.66	$1.63
Paid	0.45	nil

Note:—The above summary includes provision for depreciation of buildings, machinery, and equipment in the respective amounts of $461,971 and $400,559 for the years ended Sept. 30, 1941 and 1940.

Working Capital

	1941	1940
	$	$
Current assets	7,735,625	6,128,230
Current liabilities	2,189,232	1,673,979
Working capital	5,546,393	4,454,251

C. G. E. Volume Up This Year

Volume of output by Canadian General Electric Co. in 1941 has been running substantially ahead of 1940, The Financial Post is told. Higher costs, such as labor and material charges, have also been experienced.

While gross operating earnings for 1941 will exceed those of 1940, it is thought likely that higher taxation will largely offset the gain. The net result may be that earnings on the common may not be much greater than last year, when $11.71 a share was reported.

Trinity Building

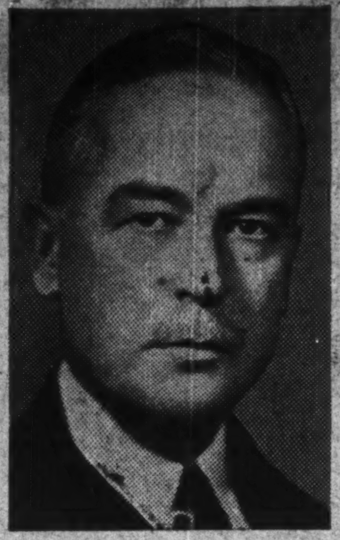
Trinity Building Ltd., Montreal, made a 1% interest payment on its bonds Dec. 1, and directors are satisfied that the company will be able to continue to pay a minimum of 1% per annum, the annual report states. During the year principal of the first mortgage was reduced to $25,500, this balance being due Dec. 1, 1942.

The property is fully rented with revenue, derived entirely from rentals, remaining about the same. It is not anticipated that there will be any particular improvement in this for some time to come.

Income and Deficit Account
Years Ended Sept. 30

	1941	1940
	$	$
Rental revenue	14,962	15,053
Less: Taxes	3,316	3,278
Oper. expenses	5,644	5,326
Manag. expenses	2,247	2,108
1st mtge. int.	1,321	1,354
Loan interest	......	51
Prof. before deprec.	2,434	2,936
Less: Depreciation	3,236	3,185
Net loss*	803	249
Add: Prev. deficit	6,972	6,723
Payment on acct. of int. in arrears	1,600	......
Deficit forward	9,375	6,972

*Before interest on 4% gen. mtge. bonds.



TUCKETT DIRECTOR

James A. Eccles has been elected director of Tuckett Tobacco Co. Ltd. Graduate of Harvard University, he is financial adviser to several large corporations. He is a director of the Bell Telephone Co. of Canada, Canadian International Paper Co., Royal Trust Co., Shawinigan Water and Power Co. and Brazilian Traction, Light & Power Co. Mr. Eccles is also treasurer of the Montreal Board of Trade.

Neptune Meters Uses New Plant For War

Neptune Meters Ltd. is moving into a new plant at Long Branch, Ont., at the year end, according to W. T. Randall, vice-president and general manager. The new plant occupies a 10 acre lot and provides 30,000 sq. ft. of floor space.

Greatly increased meter business and large war contracts for precision instruments made the new plant necessary. The company plans to continue manufacture of its regular lines at its old plant in Toronto. It makes a wide range of meters to handle liquids such as gasoline, oil or water.

Assoc. Aircraft Undergoes Change

From Our Own Correspondent

MONTREAL.—Canadian Associated Aircraft activities apparently are undergoing a major change. This company, organized by the British government and in which six of the leading Canadian aircraft companies have an investment stake, was set up for the purpose of constructing the Hampden bomber. Two assembly plants were erected, one at Malton and the other at St. Hubert, P.Q.

The Malton plant is being taken over for the assembly of the new four-engine bombers, while the St. Hubert plant has been taken over by Canadian Vickers for assembly of PBY flying boats.

Ottawa Shows Improvement

Debt Down $7.5 Millions Since 1935 — To Drop Again in 1942

Accompanying the call for tenders on an issue of $75,274 of serial debentures for roads, waterworks and local improvements, is a report showing financial progress of the City of Ottawa during recent years.

Pointing out that Ottawa has never defaulted on any of its debenture payments, interest or principal, and has never refunded any of its debenture debts, Finance Commissioner G. P. Gordon states that since the end of 1935 gross debenture debt has decreased by $7.5 millions to the end of this year. Representing a reduction of 31.4%, these redemptions will be followed by a reduction of debenture debt in 1942 amounting to approximately $1.5 million. On a per capita basis, the city's debenture debt amounted to $172.43 at the end of 1935 and will have been reduced by the end of this year to $105.50.

With tax collections for 1941 stated to be relatively higher than they have been for any year during the past decade, it is expected that 1941 will continue the operating surpluses which have been shown in every year since 1935. All the city's sinking funds are stated to show surpluses over requirements.

General Foods Starts Quarter Century Club

Inaugurating a new "Quarter Century Club," 15 employees of General Foods Ltd. have been given gold service emblems in recognition of 25 years of service with the company at a ceremony in Toronto. The four women and 11 men in the group come from the company's offices and factories in Toronto, Cobourg, Montreal and Windsor.

Livingston STOKERS

FOR INDUSTRIAL HEATING AND POWER

In such times as these, the economy of having a Livingston Stoker in operation in your heating or power plant will make itself quickly apparent.

We will gladly furnish you with ample proof of Livingston operating efficiency and dependability.

It's a Livingston

The Livingston is completely Canadian

LIVINGSTON STOKER SALES CO.
HAMILTON, ONTARIO
Toronto: 1187 Bay Street

C. S. L. Charters Five Ships To Bring Bauxite Here

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines has chartered five of its lake boats for this coming winter service only. These boats will be operating in southern waters, for the movement of bauxite from South America to southern United States ports. They will be returned for lake service next spring.

This arrangement differs from previous leasing deals in that the boats being leased this year are on temporary charters only. A year ago the company transferred 11 of its boats to the British government for the duration of the war. Two of these have been sunk, but provision was made in the contract whereby the company receives adequate compensation for any boats lost.

Had Good Season

The company is now winding up one of its busiest seasons on record. Revenues have shown a sharp increase. Despite heavy wartime tax rates, it is anticipated the company will show for 1941 earnings sufficient to take care of preferred dividend requirements, with a substantial balance for the common.

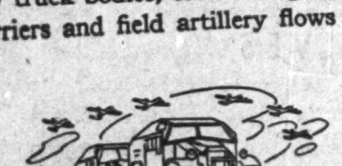
Net earnings for the year will depend on the amount of write-offs decided on. The amount available on the common is expected to be larger than last year when $1.28 a share was reported.

COCKSHUTT SERVES THE EMPIRE
—all out for Victory!

THE great resources of the Cockshutt factories have been dedicated to the performance of a double-duty service. As far as in us lies, we will see that the Canadian farmer does not lack the tools of agriculture : : : for there is no substitute for food. And, day and night, we will take part so that our fighting forces will be well supplied and equipped : : : for Victory!

Cockshutt Farm Equipment, efficient, rugged, modernized tools of agriculture, cover more acres faster : : : help step up food production : : : help farmers meet the emergency in spite of a diminishing supply of farm labour.

Production of war supplies and munitions has mounted since war was declared. Starting with certain aeroplane parts not previously made in Canada, our Aircraft Division swung swiftly into the production of other important components for planes for the vast Commonwealth Air Training Plan. From our Munitions Division a stream of shells, army truck bodies, tools and gauges, parts for gun carriers and field artillery flows at peak capacity.



Well-developed production facilities, loyal workers eager to see the job through, plus a century-old reputation for thoroughness and dependability is the foundation of the Cockshutt war effort.

The Cockshutt "Mechanized Farmhand," shown below, symbolizes the part that Cockshutt Mechanized Farm Equipment plays in helping Canadian farmers to solve their problems.

SOME OF THE PRODUCTS MANUFACTURED BY THE COCKSHUTT DIVISIONS.

COCKSHUTT FARM EQUIPMENT — BRANTFORD CANADA

Cockshutt produces a complete line of Mechanized Farm Equipment as well as a wide range of horse-drawn, orchard and market-garden tools.

COCKSHUTT AIRCRAFT DIVISION — BRANTFORD CANADA

Manifolds — Ailerons
Cowl Wells — Shrouds
Flaps — Carburetor Boxes
Cabin Heater Boxes
Undercarriages — Top Frames
Radius Rod Fairings
Blind Flying Hoods
Folding Boat Equipment

COCKSHUTT MUNITIONS DIVISION — BRANTFORD CANADA

Artillery Shells
Army Truck Bodies
Hydraulic Pumps for Trucks
Precision Gauges
Tank Parts — Grenades
Universal Carrier Parts
Field Artillery Parts

COCKSHUTT PLOW COMPANY LIMITED
BRANTFORD - ONTARIO

STELCO

VITAL IN WAR

Steel production has dwarfed peace time figures.

Month by month output has expanded to keep pace with the increasing tempo of the war programme.

(1) New Blast Furnace—largest in Canada.

(2) One of the new 150-ton Open Hearth Furnaces.

(3) New 110" Plate Mill—for heavy ship plates.

STELCO had the foundations well laid through the wide range of plant developments made during earlier years. With the close of 1941 the rate of steel production more than doubled any pre-war high record.

Rendering the basic steel usable for war and vital needs, finishing mills have kept pace with this rapid growth, and Stelco employees have known a single purpose—to provide the essential tools of war.

In these critical days Canadian industry has established many new high records of "service".

THE STEEL COMPANY OF CANADA, LIMITED
HAMILTON - EXECUTIVE OFFICES - MONTREAL
SALES OFFICES: HALIFAX, ST. JOHN, QUEBEC, MONTREAL, OTTAWA, TORONTO, HAMILTON, LONDON, WINDSOR, WINNIPEG, VANCOUVER
WORKS: HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

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Ottawa Cuts Your Life's 1942 Pattern

This Article Tells What Wartime Officials See Ahead For YOU

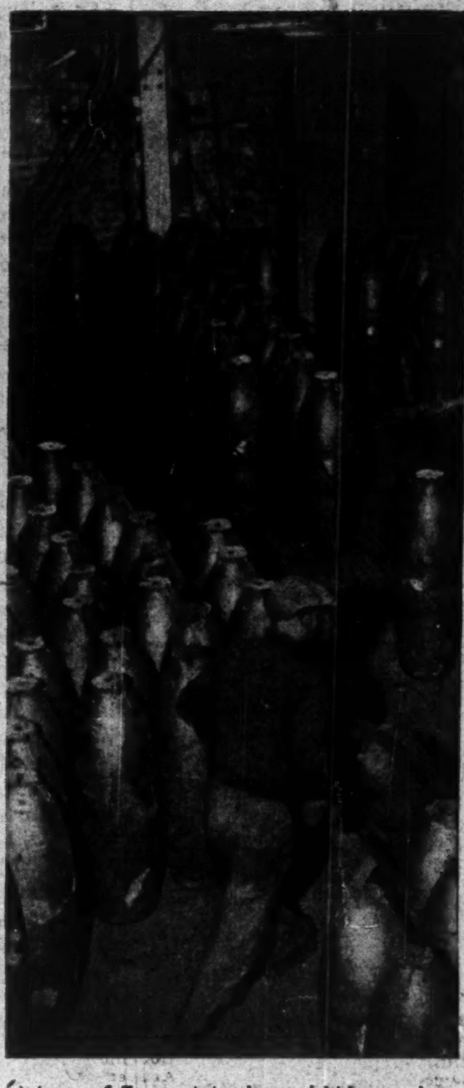
More Women Will Be Needed in War Plants

More Women — Probably More Than Now Imagined—Will be in Uniform

More Will Likely Be Riding Street Car or Perhaps Bicycle to Work

You Will Be Turning Back More of Your Pay Envelope For National Needs

The Housewife Will Have Fewer Labor-saving Gadgets to Help Her



More of Every Man's and Woman's Income Will Go Directly to War

By WILFRID SANDERS
Staff Writer, The Financial Post

OTTAWA—To a greater extent than ever before in history, the pattern of your life for this coming year, 1942, is being woven in the nation's capital city.

In many of its aspects, your individual and personal destiny lies blueprinted in reports, recommendations, and memos on desks and files of Ottawa.

You will be less of a free agent than ever before.

It doesn't matter what you call this development which has arrived with such breath-taking suddenness that there are still Canadians who don't realize its sweep or potency. It doesn't matter much whether you like it or not; whether you "point with pride" or "view with alarm."

The bald fact remains that the pattern of the life you will lead next year is being woven by officialdom.

For this reason, it is, in its broad aspects, more predictable than ever before.

It is on the basis of present necessities then and probably future ones, that the following forecast has been constructed, not as the opinion of this writer—of any one man, but this article is made up of the pooled opinions of those responsible for devising and administering these blueprints—the Ottawa weavers, in other words.

In general, and to stick to our metaphor, the threads of your life are being woven into three different patterns, which together make your 1942 design for living. These concern you as an employer or producer, as a consumer, or as an employee.

It is assumed that you have your own business, and that this business is selling goods or services.

You are an EMPLOYER

You no longer have the say as to how much you can charge for these goods and services, on the upside. On the downside, there is no floor on prices, nor is there likely to be one during this coming year.

The odds are against you having to pay any increased commodity or turnover taxes, such as sales taxes.

Emphasis of taxation throughout the next few months—or years—will, according to those close to the finance department, be on income, corporate or personal, rather than on commodities. Reason for this trend is fairly obvious. The government cannot very well establish a ceiling for prices on the one hand, and on the other, add to production costs by such direct taxes.

There are a few exceptions, such as liquor, gasoline, and entertainment and there is a possibility that taxes on such goods may be upped, but nothing has been decided.

Theoretically, you should not have to pay any higher **excess profits tax** than you paid in the past, owing to the fact that profits are theoretically frozen by the price ceiling. In practice there will be few exceptions to this, but the **rate is not likely to change.**

More Women at Work

There has been some demand, from industry itself, as well as from labor, for **an order freezing dividend payments.** Such a move **is not on the cards,** because it is felt here that it would be in the main an empty gesture in view of the fact dividend indices have not risen since outbreak of war, and are not likely to rise.

However, it is admitted that a freezing order on dividends might have a good psychological effect. If and when it comes, it is expected to be designed in such a way that neither industry nor shareholders need fear serious dislocation.

Your **labor problems will** without much doubt **grow more acute** than they are today, and may well constitute your greatest concern.

By the end of the year you will probably find yourself with more women on your payroll than you now deem possible. There are about three million women in Canada and only about half a million of these are employed. In the face of the growing shortage of man power, this ratio will have to be narrowed greatly, and your firm may have to take part in the process.

Your **greatest shortage** in this connection, of course, is **going to be skilled labor,** and your headache will be in direct proportion to the ratio of skilled to unskilled labor on your payroll.

It is expected that there will be considerably **less labor trouble** in store for you in 1942 than in 1941. One reason for such a prediction is that the new unity which seems to have come into United States industry is bound to have an effect here. The other is that with wages and prices frozen, the professional agitator is going to have his bill of goods seriously deleted.

Supplies Shortage

If **you are a manufacurer,** you will have your troubles with supplies. If you are a manufacturer of non-essential or luxury goods, you had better get yourself some war business. If anything is certain for the year to come, it is that the problems of the luxury producer will not get a very sympathetic hearing in Ottawa.

If you export most of your production, you may get a more sympathetic hearing, but with Canada's biggest customers now in a death struggle, the matter may be out of Ottawa's hands.

It is impossible to be specific about where shortages are likely to occur, because of the impossibility of predicting how successful the Allies are going to be in keeping their supply lines open. But even if the sea lanes east and west are kept entirely free of fascist birds of prey, the enormous demands of the war industries are going to make shipping space at a premium.

It is difficult to see how the **steel supply** situation is going to improve in the next 12 months. Every conceivable increase in capacity seems to be destined for the huge maw of war industry. This is only one example. The same is true of rubber, metals of all kinds, and a host of other raw materials of which, it is common knowledge, there is a serious shortage.

In this connection, you, as a businessman, are going to **have to become more "salvage conscious"** than, as a citizen of a rich nation, you have ever been before. You will be forced to do this in your own interests, if not for patriotic reasons. Because raw materials and equipment which hitherto were available in all necessary quantities, are, to a growing degree, available no longer. Here is what William Knightley, who, as director of the National Salvage Campaign, has a better conception of the need than most, told The Financial Post:

"Business enterprises are finding the operations increasingly handicapped by this shortage. Businessmen can do two things to help alleviate this situation and prevent it from becoming worse. They can conserve and save."

Specifically, he cited the case of actual and impending shortages of paper in Canada, and of metals. By the end of the year, then, you will probably be an inveterate paper saver, and will be using in your plant old and reconditioned machinery which, a year or so ago, would have made you squirm. Among metals, iron and steel, copper, zinc and aluminum were mentioned by Mr. Knightley.

You are an EMPLOYEE

You are going to have to **work harder and longer,** and, if you are making a greater wage or salary by the end of the year you will be an exception.

On he other hand, strenuous efforts are being made to protect you against higher living costs.

It is **not likely you will be paying higher National Defense Tax** than you are today. It is understood that advisors to the Finance Department do not think an increase in the National Defense Tax of even such as 10% would bring in more than a $100 millions revenue to the government—a mere pittance in the fiscal language of this man's war. They admit that there are inevitable unfairnesses even under the present rate, but that such unfairness would be magnified many times over by such an increase.

You may, however, **be paying an ever higher income tax** than you are now paying. There is nothing official on this, of course, but it would seem to fit in to the trend of taxation thought in Ottawa.

You will almost certainly own more war savings certificates and war bonds by the end of the year. In February, the government is going to sell another $500 millions of bonds which means on a per capita basis over $40 for every man, woman and child in Canada.

You will not be getting a cost-of-living bonus on a much higher scale than you are now, assuming you are "below the rank of foreman or comparable rank." Because if the cost of living goes up, it would mean that the keystone of the whole elaborate anti-inflation structure built up in Canada is cracking, and Ottawa is determined that it will not crack. Here is what Humphrey Mitchell's new Labor Minister has to say on the connection between inflation and wages:

"It is the established policy of the government of Canada to prevent inflation. To the employee, inflation means an increased cost of living resulting in the destruction of the real value of his wages and of his savings, pension, or insurance.

"To the employer it means the possible destruction of his investments and the possible ruin of his business or industry. In order to minimize the possibilities of inflation, it is necessary to effect a considerable degree of control over prices and distribution of goods, materials, and services, and if the production and distribution are to be continued at controlled prices, a control over wages and over salaries."

Selective Service Ahead

It is quite on the cards that some time before the end of the year you may find yourself being examined either by a board or by questionnaire, as a result of which **you may be told that your services are of more value to the war effort in a munitions factory or in the harvest fields, or perhaps in the army defending your country.**

You will probably feel you have heard this ever since the war started, but the fact is it is closer now than most people realize. The country has now been promised "compulsory selective service," and if the phase means anything at all, it means just that.

The thing is, that as a worker, you are something the country has not enough of, and because of this fact it is a safe bet you will end up the year less of a free agent than you were when it started.

You are a CONSUMER

Your standard of living will be lower, a year hence.

Before the end of 1942, you will not be buying a great many things which in 1941 you may have been accustomed to buy regularly.

If the theory of price control works, you **will not be paying any more** for what you buy or are able to buy.

Every effort is being made by the government to see that those things which you are unable to buy will be limited to non-essentials, but if you can actually devise meaning for the adjective which will fit all people, you are a modern Webster.

The government sincerely believes what it has said, namely that the success or failure of its price control and other anti-inflation efforts, rests with the individual consumer, as much as with the men who produce or sell the goods. The pattern-weavers of Ottawa, then, regard you as a policeman just as much as if you were on the government payroll.

As the months roll by, you will find **less and less variety** on the shelves and counters of your store. Women are promised that intangible called style, but your wife should no longer consider it a social catastrophe of the greatest magnitude if she meets the Jones woman in the same dress as she has on. Nor should she "feel humiliated" if she sees the 1943 New Year in in the same evening dress as ushered in the year 1942.

This does not mean that quality will be eliminated, or that "ersatz" materials introduced. Experience has shown that in the majority of cases, ersatz products as applied to Canada's economy, means no savings in costs or materials.

So, **by the end of 1942, you and your wife should be dressed as well as today, as far as quality goes, but you will be wearing the same clothes longer and have less choice in new styles.**

To take a small and probably inconsequential example, it has been ruled that bakelite, of which many buttons are made, can be made in only 15 shades instead of 600 color tones as formerly used.

Edgar Burton, Retail Trade Administrator, sums up this angle as follows:

"A year hence, many things may not be produced. To get costs down, fewer lines will be made and handled. Styles will have to be standardized. There will be less choice.

Retailer in Front Line

"That, however, does not mean that the lower priced stuff will be cut out to the hurt of the people with the slender purse. Our duty is to see that the manufacturer of, say, rubbers, or garbage cans cuts down his 57 varieties to a dozen; that he does not just make the 12 highest priced articles, but that he makes a range selected from his full line as of the basic period."

If you are a consumer of wholesale goods, or in other words, a retailer, your worst headaches will probably come in the first six months of the new year, as you try to adjust the squeeze between a fixed selling price and higher wholesale price. For the next six months, you, as a retailer, are going to be in the toughest spot in regard to squeeze, because being so to speak in the front line, you are going to have to absorb the inequality until the shock is adjusted to manufacturer and processor.

Again, Mr. Burton:

"From now on, the only profits we merchants are going to make will be from economies. Every store must eliminate every inefficiency and 'frill'. It won't continue to exist, otherwise."

Editors Endorse Broader Government

Say Present Emergency Demands Union of All Groups and Interests

To a wide cross section of Canadian editors, chosen without regard to political or other affiliations, The Financial Post this week wired the following query:

Do you favor under present conditions a union government that would be truly representative of all major political parties and all major interests?"

Their replies, endorsing a really national union government by over two to one, follow:

ORILLIA PACKET & TIMES, C. H. Hale.

We have consistently contended from the outbreak of war that a government that had the sympathy and confidence of all the elements in the population, sincerely interested in the vigorous prosecution of Canada's war effort, was highly desirable and have urged the Prime Minister to reconstitute his cabinet on this basis. The failure to evoke enthusiastic support for the government's war policy, and the general lassitude in spiritual forces of the nation, have strengthened this view, and present conditions have, to our mind, rendered imperative action in the direction of consolidating the whole political and moral strength of Canada behind the measures necessary to attain a full-out war effort.

* * *

EDMONTON JOURNAL, W. A. Macdonald.

Our first preference would be a strong party government, devoted to all-out prosecution of the war, with no geographical limitation on conscription and with an effective opposition to compel the government to hew to the line, and hold it responsible. We favor union only if party government proves weak or half-hearted. We fear the present government is both weak and half-hearted and have, therefore, advocated union.

* * *

MONTREAL GAZETTE.

National emergency demands that Canada put the utmost of its strength into winning the war. This can only be achieved by national government, representing all parties and interests. The Gazette has urged establishment of such a government consistently for many months and believes it more vitally necessary now than ever before.

* * *

MIDLAND FREE PRESS-HERALD, J. H. Cranston.

The Free Press-Herald has long contended Prime Minister King should call to his side the ablest men Canada can produce, regardless of political affiliations. We believe people in this section of Ontario are dissatisfied with conduct of the war by one-party government. Winning the war is more important than any other consideration. We believe Canadian unity and total war effort can best be secured by formation of a union, or national, government, representative of all political parties and major interests. Emphasis must be placed primarily on leadership ability, not party or class connection.

* * *

MONTREAL LA PATRIE, Oswald Mayrand.

I stand by the will of the Canadian people which was registered against the electoral programme of union government in March, 1940. If party (read national) government is not good in wartime, why should it be good in peacetime? So is it not a constitutional change that our union government seekers are looking for?

We are in need of quick action to fight and win the war. Don't put up too many heads to lead us to victory. We look upon the King government as a national government enjoying the confidence of the whole democratic community.

* * *

HAMILTON SPECTATOR, F. I. Ker.

It is unlikely that the majority of Canadians see any such significant differences in the personnel or policies of our political parties as to justify insistence that this or that party or a combination of all should hold power. In wartime the public are more interested in getting the right thing done quickly and effi-

(Continued on page 21)

Business Leaders' Forecast For 1942

(Please see pages 9, 10, 15)

V. R. Smith

General manager, Confederation Life Association.

Next year should be even a better year for life insurance than 1941. During 1941 a distinct change in the trend of the business occurred. Sales of new insurance increased and terminations decreased so that the increase of business in force will probably be the best for the last ten years.

The pattern of the last Great War would seem to be appearing again—more sales, less surrender and lapse, still greater increases in business in force. War serves to make our citizens more insurance conscious than ever. The nearness and dearness of loved ones is brought home more closely to all of us through the dangers and horrors of war and nothing is more natural than that the protection and safety of insurance should be sought.

Life insurance is following its traditional policy of giving all citizens security for their savings and at the same time contributing no mean part to the stability of Canadian war finance. Citizens recognize that their insurance dollar is a most important cog in the war economy One seventh of the last victory loan came from life insurance sources and it is expected that life insurance dollars will form a substantial part of the forthcoming loan.

Our business in Britain—in spite of the restriction of war clauses—shows quite unexpected and substantial increases, both in sales and business in force.

• • •

J. Milton Cork

President, Loblaw Groceteria Co., Ltd.

Canadians are very fortunate to be able to enter the New Year with an abundant store of staple food supplies, and to know that these supplies will be equitably distributed at the lowest possible prices.

Canada holds enormous stocks of wheat and butter. On Dec. 1 there were over 50 million pounds of butter, which was over 10 million pounds more than a year ago.

Sugar is only a little higher than its pre-war price, and is selling at one-third of the figure of 1919. The government is controlling raw sugar and an adequate supply is reported.

The canners had a good normal pack of vegetables and fruits.

Tea and coffee supplies seem to be adequate for many months.

The war has brought about many changes in our business. We are all facing new problems and many of these are now connected with the recent price ceiling regulations. As no one wants inflation any more than can be helped, it is up to all business men in Canada to assist the government all they can to carry out, in a way which will be fair to all, its price regulation policy. I am sure this will be done.

What effect the war will have on our business I cannot foresee, but I do know we are very busy and doing our best to service our stores to meet the ever-increasing demands.

• • •

Beaudry Leman

President, Banque Canadienne Nationale.

A summary of our banking operations for 1941 could be compressed in much fewer than 150 words. In point of fact, five words would be quite sufficient to indicate not only the results but the general trend in banking: "More work for less money."

One can only marvel at the number of persons who live under the delusion that the people of this country can escape the consequences of world-wide impoverishment. When Winston Churchill told his people that all he had to offer them was "blood, tears, toil and sweat," he was not seeking an oratorical effect but depicting the results of war. This condition must be faced willy-nilly.

The measures now taken by the government to control and discourage the rise in costs of both labor and commodities would be fully warranted if for no other reason than to render the public conscious of the fact that Canada is not engaged in a profitable operation.

• • •

B. T. Huston

Editor, Canadian Grocer.

Price ceiling regulations have somewhat obscured the outlook in the food industry for 1942. Trade has been slowed down temporarily at least because so many food items were not sold in the index period on the basis of replacements. This is resulting in many business dislocations due to the fact that trade connections are being upset. Brand switching is sure to be an important grocery game this year, especially in cases where wholesalers and retailers are losing money by repurchasing products not sold on replacement values during the index period.

Next year both wholesalers and retailers will again lose some profitable trade because of the bans on certain import foods. These include a wide variety of nuts, figs, canned fish, olives from non-empire countries — all good margin lines. Japanese treachery will affect sales adversely because many of our import foods such as tea, coffee, dates, spices, canned pineapple, cocoanut, vegetable oils for shortening and soaps come from that area.

But with unemployment in Canada now negligible there is plenty of money available to buy foods so that 1942 volume will again be substantial. But because of ceilings and spread of war the profit angle doesn't look so favorable.

Fact that there are no ceilings on fresh fruits and vegetables is going to mean a definite tendency on part of retailers to push these lines in the hope of making up losses on other lines. This applies also now to fresh fish and several lines of canned fish.

G. W. Bourke

President, Canadian Life Officers Association and actuary, Sun Life Assurance Co.

There can be little doubt that the experience of life insurance companies in the past year, during which the new business written was considerably increased, will be continued during the year to come. The sale of life insurance invariably follows the trend of national earning power which, in wartime, is sharply accentuated.

Furthermore, the present control of wages and prices together with the sharp curtailment for domestic consumption of certain commodities and luxuries are likely to increase national saving in no small degree. Indeed, the urgent necessity for each individual to save to the utmost is now fully appreciated, and the value of using a proportion of such savings for the protection of himself and his family through life insurance is one that is readily recognized.

This form of saving has been encouraged, too, by the knowledge that the life companies of Canada are making considerable contribution to the war effort. These companies have, to date, subscribed over $170 millions to Canada's war effort, which represents a substantial proportion of every premium dollar received during the first two years of hostilities. Thus life insurance dollars do double duty, not only by protecting the individual and the family against want and privation, but also in the practical contribution to the cause of liberty, freedom and justice.

• • •

J. William Horsey

President, Dominion Stores Ltd.

In these times it is not easy to attempt a definite prophecy of future conditions. The readjustment of our national economy to a full-out war basis, the realignment of our man power into more essential jobs, the developing shortages in many commodities—these things cannot fail to have profound effect on all business.

And yet I feel sure that if we are ready to meet change with change, if we abide by the spirit as well as the letter of the laws set up to meet these abnormal conditions, then Dominion Stores Ltd. will still find it possible to operate successfully both in serving the public and in protecting the interest of its employees and owners.

• • •

E. C. Gilliat

Managing secretary, Winnipeg Board of Trade.

Western business men are facing problems arising out of the government's policy of price and wage control realistically, and manufacturers, wholesalers and retailers are approaching the difficulties in a co-operative spirit right down the line. Final figures for 1941 will show a substantial increase in the aggregate business turnover, but the diversion of basic materials into war needs and restrictions on non-essential imports, is already being felt in many lines.

With the launching of the government's anti-inflation policy, The Winnipeg Board of Trade immediately undertook to service its members, and co-operate fully with governmental agencies, by distributing the complete text of important orders and pronouncements of the Wartime Prices and Trade Board, and organizing representative committees on maximum prices regulations, wages and cost of living bonus, consumer credit, rental control and gasoline conservation. Boards of Trade across Canada can render a great national service in this emergency, and should win new and lasting loyalty from their members.

• • •

H. A. Nicholson

Editor and manager, Canadian Printer and Publisher.

With a gradually rising output over the past months of the year, the commercial printing industry now is producing its greatest volume since 1929. The government has become a major buyer of printing for the war effort, which greatly accounts for the increase.

Printers are skeptical about the price ceiling operating successfully in their industry because of its many divisions and ramifications.

Printing production is now greatly handicapped and delayed by paper shortage. Fine paper mills are weeks and months behind deliveries in several lines. Mills are trying to improve the situation by making fewer grades, thus streamlining production to a greater extent.

While commercial printing paper prices in the U. S. have spiralled upward, Canadian prices have increased only about 10% since the war began.

Official restrictions have reduced national advertising linage many directions but government campaigns have helped to restore some of the loss. Some new advertisers also have come into the field. While some publications have felt the squeeze, others have come through the year more than holding their own. Business papers in the war industries have considerably increased their linage. Linage outlook for 1942 depends upon the effect of further government restrictions in advertised products.

Rationing of plate metal for the engraving and lithographing industries has been put into effect on a basis of 60% of copper and 75% zinc formerly used.

Printing, a major industry with a production value of more than $117 millions annually, will no doubt feel the war effort handicaps more than ever in 1942.

R. James Speers

President, R. James Speers Corp. Ltd.

Any attempt to predict market demands or forecast price levels for Canadian livestock and livestock products during 1942, is contingent upon the adoption of a price ceiling either already established or a possibility, if not a probability, during this period.

A very potent factor in the beef cattle market will be the demand for the better class feeder and well finished beefs in the United States. The outlook for these two classes of cattle looks decidedly good.

A healthy hog situation in Canada is pretty well assured as the result of the United Kingdom quota. Lamb prices will remain strong in sympathy with prices for beef, pork and dressed poultry. There is an ever increasing demand for Canadian eggs of the higher grades in the United Kingdom.

With a carryover of about 12 million pounds of butter in storage and a steady increase in production in each province (3½ million in Manitoba in 1941 over 1940) there probably will be no demand for a price ceiling for butter, but rather an attempt to divert milk into cheese manufacture through bonusing the price of cheese. There is practically an unlimited demand for Canadian cheese in the United Kingdom.

Speaking generally, agricultural surpluses are vanishing, demands increasing, and prices must be allowed to reach levels which will make possible increased production without loss to the primary producer. Labor shortage will be the limiting factor in increased production.

• • •

Herb Braund

Managing editor, Technical Papers Division, MacLean Publishing Co.

This being a war of machines, the industry that makes machines—the metal-working industry—is very fully occupied. Civilian production has been crowded into a corner, and the corner is getting smaller and smaller.

While steel production has been greatly expanded in Canada, the need is still greater than the supply. Canada counted on getting some 2 million tons of steel from the United States in 1942. Now war has multiplied the demands on U. S. industry, and stimulated that country to new vigor in production, so there is doubt whether our requests will be satisfied. In addition, there is the consideration that we cannot go into the hard-pressed U. S. steel market as a suppliant for steel, while we are still issuing steel to non-essential industry in Canada.

The metal-working industry in Canada is fully occupied and expanding almost daily. Men, machines and buildings of industries forced to curtail civilian production by government decree or lack of materials are being put to war use as rapidly as possible. Problems of the industry are shortage of suitable men and women, shortage of materials, shortage of equipment.

First growing pains of the aircraft industry having been removed and the confusion arising from attempting too many models having been dissipated, it is probable that impressive records, particularly on service, or fighting craft, will be hung up in 1942.

The shipbuilding industry is tearing into a $500 million backlog, biggest single war order, and is prevented from reaching full-out speed only by shortage of skilled men, and shortage of mild steel plate and other metal items.

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Dosco

Would you be kind enough to tell me the current position of Dominion Steel and Coal Co. in which I hold 50 shares of the B stock?

Dominion Steel and Coal Corp. has been working at capacity throughout the year. On the other hand, its subsidiary, Dominion Coal Co. has had its operations affected by the slow-down strike. On balance, however, gross income of the company for 1941 is likely to be larger than 1940, when the combined profits of operations etc., totalled $3,155,684. This contrasted with $2,938,194 in 1939.

It is very difficult at this stage to make any guess as to net profit, as much will depend upon the amount which the company is permitted to write-off for depreciation, special allowances, etc. In 1940 earnings on the Class B stock amounted to $1.11 a share, and it is not likely that net income for 1941 will show any major change from this level.

Brown Co.

I would like to have a brief review of the position of Brown Co. I am thinking of making a small investment in its preferred stock.

Reorganization plan for Brown Co. has been finalized. The new securities are now in course of distribution. From an operating point, the company has effected a very considerable improvement in its position over the last two years. From the period November 30, 1940 to August 9, 1941, net working capital of the company increased from $4 millions to nearly $7.5 millions. Consolidated net income for the 36 weeks from Dec. 1, 1940 to August 9, 1941, before depreciation, income tax, deferred interest amounted to a little better than $5 millions, compared with $2.9 millions for the like period of 1940. Sales, of course, are considerably higher. The marked improvement in the company's position has been due almost solely to war conditions; a fact which must be considered in viewing the long-term possibilities of the company. You do not mention in your letter whether you refer to the old preferred or the new preferred stock. Holders of the old preferred will receive 12½ shares of new common stock, while the new preferred is being distributed to holders of the old bonds and general creditors. The plan provides no dividends can be paid on the capital stock unless all interest charges have been paid to date; and no dividends can be paid which would reduce working capital below $10 millions and then only out of net profits or earnings surplus.

Dominion Stores

Are the earnings of Dominion Stores showing improvement at present, and if so, is there any likelihood of early dividend payments?

Sales of Dominion Stores Ltd. in the first quarter of the present year were officially reported at 5% above the same period 1940, and it is understood that this gain has been further accelerated during the remainder of the current year. Operations for the company during the first half of 1941 were on a profitable basis compared with an operating loss in the same period of 1940. This would indicate that the company should be able to show a somewhat better net profit this year than 36 cents per common share reported for 1940.

The programme of reducing the number of stores and increasing efficiency of the rest is being maintained with the present number being operated totalling 286. Dominion Stores has not paid a dividend on its common stock since 1934 and, while current operations are much improved, the outlook for a resumption of dividend payments in the near future does not appear to be particularly bright. Earned surplus amounts to a little over $56,000 and it would seem logical to expect that officials would wish to see this account further strengthened before resuming dividend payment.

It's in the BAG!

"In the bag" is a modern way of saying the situation is well in hand . . . and it certainly applies when you entrust your finishing problems to Thorp-Hambrock, who specialize in industrial finishes.

Over a period of years, Thorp-Hambrock have developed countless paint, varnish, lacquer and enamel finishes to meet the varying conditions found in Canada's industrial plants.

Follow the example of Canada's leading manufacturers—turn your finishing problems over to Thorp-Hambrock and benefit by the experience of a company of specialists.

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High Grade Bleached Sulphite Pulp

The dope room is one of the important steps in the progress of building an airplane. Here bombers and fighters get their final touches which add speed to their wings — protection from the elements.

Here too, new problems are met, and overcome with the ingenuity which has made Canadian aircraft production a marvel of wartime industry.

The scuff of a workman's heel might spark disaster in a dope room which is excessively dry and charged with static. Humidity must be constantly controlled and regulated.

The inflammable vapours from spray guns can also be injurious to the workman's health . . . so that the air in the dope room must be changed regularly and frequently.

Brown Industrial Instruments and Minneapolis-Honeywell Controls combine to overcome these problems in a manner so efficient and thorough that the Canadian aircraft industry has never experienced a dope room explosion. Day in, day out, they automatically regulate and record the flow, humidity and temperature of the air in dope rooms from coast to coast. They help Canadian engineers make better planes as well as stronger tanks and faster firing anti-aircraft guns.

Less spectacular perhaps, but no less important, may be *your* control problem. But if it involves the precise control and recording of temperature, humidity or flow of liquids or gases, Brown Industrial Instruments can help you. Write for the booklet, *"Instruments from the Executive Viewpoint"*—it explains in simple non-technical language how Brown Instruments are doing scores of unusual jobs — probably one like yours. Our Engineering Staff is at your disposal for consultation. Minneapolis-Honeywell Regulator Company Limited, 117 Peter Street, Toronto. Branches at Montreal, Calgary and Winnipeg.

MINNEAPOLIS-HONEYWELL REGULATOR CO. LTD.
Manufacturers of

BROWN INDUSTRIAL INSTRUMENTS

Business Leaders' Forecast For 1942

(Please see pages 9, 10, 14)

Sir Edward W. Beatty

Chairman and president, Canadian Pacific Railway Co.

An invitation to appraise the outlook for 1942 in Canadian business brings difficulties as well as privileges. The overmastering occupation of the whole human race at present is war—a war to decide whether the civilization which Canadian business of all sorts is intended to serve will persist, or be replaced by a world system of totalitarian economy. Decisive events in that war will occur during 1942, and the course of business in Canada will be directly affected by the trend of these events.

The immediate outlook—leaving out of consideration these long-term effects—is that Canadian transportation, and business in general, will continue during 1942 to feel an increasing strain, as the volume of our national activities, now at a record height, continues to increase. The rate of increase must necessarily slow down—as we gradually attain the maximum, but there is still an increase possible in mobilization of Canadian man power and other resources.

Assuming that there will be no spread of the actual conflict to this continent, 1942 should see the volume of Canadian transportation reaching new peaks, and there is no sign that the capacity of our transportation systems will prove unable to cope with their task. As in every other form of business there will be increasing difficulty in obtaining the necessary supplies of man power and materials for carrying out these tasks—but transportation is so vital a part of our national organization that it will have to be given full priority.

There will, of course, be an increasing tendency to concentrate more on such vital operations as the movement of troops, and of material of war — in all the stages of its production. There will have to be some lessening of the importance attached to the provision of luxury services for passengers, and some decrease in the movement of goods for other than war purposes. There is no sign, as yet, of any increase in the volume of movement of our staple product—wheat.

On the whole, 1942 should mark new high records in Canadian transportation—adjusted to meet wartime conditions. As in connection with all forms of Canadian business, the question of profits will have to be determined by national needs—rather than on the normal basis of consideration for the rights of investors.

• • •

Dr. T. H. Hogg

Chairman and chief engineer, Hydro-Electric Power Commission of Ontario.

To serve ever-growing war loads, the Ontario Hydro-Electric Power Commission is planning continuously to secure additional power supplies from many sources. Not only has it constructed additional power developments, but it has advanced deliveries of power already contracted for and entered into contracts for additional supplies.

During the first year of the war the Commission spent more than $11 millions in new capital construction and in the fiscal year just closed it will have spent about $17 millions, making a total of $28 millions expended since the war started for additional generating, transmission and distribution facilities.

In October, 1941, the primary load of all systems combined was 2,096,717 h.p. compared with 1,783,962 h.p. for October, 1940, or an increase of 17.5%, or approximately 313,000 h.p.

The Commission is successfully meeting its highest peak load demands, without seriously curtailing power supplies, but cutting a few large southern Ontario customers for short periods between 4 p.m. and 6 p.m. Special consideration is being given to the problem of meeting the larger peak loads anticipated during the winter of 1942-43 and to various forms of power rationing that may be introduced at that time.

• • •

H. L. Southall

Manager and editor, Hardware and Metal.

The outlook for 1942 in the hardware and paint trades is beclouded at the moment by the almost daily announcement of restrictions affecting vital metals and chemical products used in war production. In this respect the supply of domestic goods which will be available for sale next year is uncertain. There is ample purchasing power available, as is evidenced by the increase in retail hardware sales in 1941, but one of the chief difficulties facing the trade next year, will be to secure enough merchandise to supply public requirements. Many lines will only be available in much reduced selection.

The close relationship between basic materials needed for hardware and paint products, and vital materials required in steadily growing quantities for production of war needs, is one of the major problems facing this trade, as 1942 approaches.

Considerable research is in progress seeking substitute materials and there promises to be a return to some types of product common in earlier years.

• • •

W. H. Carter

President and general manager, Winnipeg Electric Co.

We may expect in 1942, as in 1941, a further conversion of our economy from a peacetime to a wartime footing, and a general increase in the tempo of our war activities.

No business can remain unaffected by these changes, least of all public utilities such as ours. In the war effort of this western community our transportation, electric and gas utilities have played and will continue to play a most important part. Getting the workers to and from their jobs and providing power for the factories are essential steps in the process of producing the instruments of modern warfare.

Increased gross earnings due to the expansion of business under the stimulus of wartime requirements have been paralleled by increases in the costs of doing business in the form of higher taxes, higher wages and higher costs of materials. We anticipate that the government's action in freezing wages and prices will introduce an element of stability into the situation.

Such stabilization is of vital importance to an organization such as ours whose rates and fares cannot easily be adjusted to meet changing conditions. With regard to the supplies of man power and materials, further shortages may be expected in 1942.

• • •

John R. Read

President, Canadian Westinghouse Co.

Unlike its effect on many other industries, the requirements of the war have made it necessary for the electrical industry to double and redouble its normal output, in order to drive the machinery that produces the tools of war. Very few electrical products are now destined for peacetime or civilian purposes; and the small percentage that so remains is steadily being relegated to the background of our effort.

It was inevitable also that our industry, with its precision equipment and its long experience in the manufacture of intricate apparatus, should be called upon by the government to itself make some of the more complicated devices for offense and defense required in the present type of warfare.

In our own factories, these two efforts for the advancement of our cause are going forward side by side, and between them are now absorbing all our energies, talents and capacities.

• • •

L. F. Winchell

Vice-president and general manager, Hinde & Dauch Paper Co. of Canada.

Never in history has the demand for paperboard and shipping boxes been as heavy as it has been for the past six months.

We already know that these demands will be further increased so greatly during 1942 as to make absolutely necessary the evaluation of all orders in the light of urgency—direct war orders first, of course, and then most essential as respects requirements indirectly indispensable to the war effort.

It means that restrictions on certain types of productions will have to be enforced, not only to ensure greatest productivity, but also to overcome, as much as possible, shortages in raw materials that are developing. Deliveries will be slower, and all users will have to co-operate fully with their suppliers, through conservation and salvage.

It is particularly vital that all waste papers be salvaged for reprocessing. None should be destroyed or discarded in the ordinary way. Accumulations must be definitely preserved for waste dealers or some organization collecting salvage under the National Salvage Campaign of the National War Services Department.

Aubrey Davis

President, Davis Leather Co., Ltd., Newmarket, Ont.

The background from an International standpoint for leather trade in 1942 has been subjected to swift and major changes in the early weeks of December, 1941.

Controlled prices for commodities in home markets, plus drastically restricted ability to export across Atlantic and Pacific leaves Canadian producers of normally exportable merchandise in a vastly different position than one year ago.

In 1942 very vital materials for tannery processing can no longer be brought across the Pacific. Also hides and skins from Australia and New Zealand are out, and thus a big source of supply is lost.

The United States and Canada normally cannot find nearly sufficient hides and skins in the Americas to supply their tanneries, and when peacetime demands are changed to an all-out war requirement, the situation becomes desperate.

Consequently, an extra pair of good stout shoes may be a welcome sight in the Canadian wardrobe before 1942 has passed, or before rationing in footwear is found necessary.

• • •

Harold Crabtree

President, Howard Smith Paper Mills, Ltd.

The outlook for the fine and coarse paper business for 1942 is very difficult to judge, on account of the many uncertain factors with which the industry will be faced next year.

The demand for both grades is expected to be very heavy and will undoubtedly tax the production capacity of the industry. The restrictions which the government has been forced to place on the use of certain essential raw materials and chemicals that are widely used in our business are bound to create manufacturing problems.

These and the fixing of prices are factors which it is impossible for the industry to appraise at the present time. There is also the question of the availability of skilled labor to meet the demand of our business.

We can but express the hope that, notwithstanding these obstacles it may be possible to operate our mills on a basis where the demand for war and civilian needs may be well taken care of.

• • •

Robert Rae

General manager, The Dominion Bank.

The year 1942 will be one of intensified efforts in the common cause of defeating Hitlerism. War conditions involve financial problems; the likelihood of more controls being established and the need for distribution of man power, will have a considerable effect on our present way of living.

The banks, and their staffs, have had to meet added demands and have done so cheerfully. They will continue to extend willing and helpful co-operation in the financing of the various industries and businesses connected with our war efforts, especially in the raising of funds through the sale of War Savings Certificates and War Loan bonds so necessary to our economy.

• • •

Col. H. Cockshutt

Chairman and chief executive, Cockshutt Plow Co., Ltd., Brantford, Ont.

Our normal business is turning out farm machinery or other implements of production, and now under the call to arms we are required to produce implements "of destruction" in the defense of our Empire.

The future demand for agricultural implements seems bright, and with the modern scientific methods of farming, the changes made in machines since 1884 when I entered the business, seem truly marvellous.

The year just closed has been satisfactory notwithstanding difficulties encountered, which, thanks to the co-operation of employees, staff and executive have been successfully overcome.

I am confident victory will be ours if we continue to strive earnestly for it, and our Empire and the nations allied with us will win a permanent peace for mankind.

May I wish for your readers courage, tenacity and the will to win. If we are imbued with these ideals we can confidently look forward to victory.

(Please see pages 9, 10, 14)

SAVE TO WIN

To meet the demands of war we must divert expenditure from unnecessary things and *save.* Open a Savings Account with us, and put your savings on a systematic basis. Save according to plan and have the money ready when the government calls for it. This Corporation has been doing business in Canada since 1855.

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FORWARD AND BACK

The month of January takes its name from the Roman God "Janus" who was always represented as looking two ways—forward and back.

Hence, from very early times, the first month of the year has been regarded as an appropriate time for reviewing the past and planning the future. In no field of activity is this more important than in matters relating to your Will. For instance:

Have you thought of how the new Dominion Succession Duty, on top of the Provincial Duty, and the increased Income Tax will affect your beneficiaries?

Make it a point to review your Will every January and give careful consideration to changed circumstances. Consider, too, the qualifications of your Executor. The addition of a simple codicil is all that is necessary to secure the administrative services of The Royal Trust Company.

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The Year Ahead — In Life Insurance

Sales Gain Expected to Continue

Policy Surrenders and Loans Are Light

Increased sales are expected for life insurance in 1942.

Expectations are based not only on the experience of the last war but on recent months. As 1941 closes, sales are definitely pointing upward and all estimates are that the volume of insurance in force is steadily increasing.

Figures of sales for the first 11 months of 1941 show an increase of approximately 15% over 1940, with the best gains being shown in the later months.

While no official figures of business in force are available at time of writing, it has been estimated that a substantial gain will be shown when the year's results become known. At the end of 1940 business in force in Canada was $6.9 billions.

In these two directions the life insurance picture in Canada is following largely the pattern of the last war. There is another phase, however, in which there is substantial improvement over the last war and that is in policy loans, surrenders and lapses. These have been steadily declining and the move has been accentuated in recent months, insurance men say.

Taxes Heavier

The increase in sales and business in force and the decline in surrenders and policy loans on this occasion is regarded as extremely important in view of the greater competition there has been for the individual's dollar.

In the last war the income tax was not imposed till 1917 and the exemptions then were materially higher than now. There was no National Defense Tax. Nor was there the same pressure to buy war bonds in the earlier years of the war. New business effected showed a decline in 1914, 1915 and 1916, from 1913, the last full year of peace, but turned sharply upward in 1917. On this occasion preliminary estimates indicate an upturn in 1941 as compared with 1938, the last full year of peace.

Conserve Business

Business in force, in both cases, increased after the outbreak of war. Here the desire to keep existing insurance in force seems to have been the dominating factor. Few policies, if any, issued prior to Sept. 3, 1939, had a war clause in them and most people having these policies have made efforts to keep them in force on account of the greater protection they give. But the war clauses as they stand have not been an obstacle to new sales, taking a long view of insurance protection. Many enlisted men have bought policies not for protection for their dependants in case they are killed. They look to the government for that. But they are buying insurance now while fully insurable so they will have it when they return.

The government is co-operating in making available a pay deduction plan for enlisted men who want to buy insurance.

The companies themselves have taken part in the war effort by lending key men to help in the War Savings and War Loan campaigns.

In addition they have been heavy investors in the various war loans floated to date. In the third loan, in June, 1941, for instance, they subscribed for about one seventh of the total. Premium money paid the companies thus goes to the war effort. Company staffs in many instances have been severely depleted with younger men enlisting.

Low Interest Rates

The low interest rates prevailing have been a problem. While fairly steady recently, the trend, if anything, has been downward. This has caused some companies to revise their premium rates, especially on non-participating insurance. It is possible further revisions will be seen in coming months, unless interest rates improve.

Mortality

Mortality as it affects Canadian companies has been affected very moderately by the war to date. Even companies that do business in the British Isles report their mortality there to be about 55% of expected, including war deaths. Exclusive of war deaths they are about 45% of expected. Companies, however, are aware of the possibility that war deaths are liable to be much heavier. If the Canadian land forces get into action in a big way, mortality in one battle, it is stated, would probably exceed the total war mortality to date.

Entrance of Japan into the war has caused the companies in the United States, including the Canadian companies, to tighten up their policy terms. Some already had war clauses in their policies. These are being made more stringent. At time of writing a uniform clause like that in Canada does not seem to have been adopted, but it is believed something like this will be done.

Life Insurance Sales Higher

Sales of new life insurance in Canada and Newfoundland continue upward. The total for November at $44.9 millions is 36.7% higher than for the same month last year and the highest total for October for many years.

All provinces of Canada as well as Newfoundland showed increases. The best gain per cent was in Prince Edward Island where sales were more than doubled. Ontario had an increase of almost 39% and Quebec almost 28%. The smallest gain per cent was 0.4 in Nova Scotia.

The figures are supplied by the Life Insurance Sales Research Bureau and are based on the experience of 18 companies representing 85% of the new ordinary life insurance in Canada and Newfoundland exclusive of increases, revivals, dividend additions, annuities, group insurance, etc.

Total sales for the first 11 months of 1941 at $381.7 millions are 15% higher than a year ago.

Comparative figures follow:

Life Insurance Sales in Canada and Newfoundland
—000's of $—

	November 1941	November 1940	Change %
Alberta	2,198	1,345	+63.4
British Columbia	2,980	2,247	+32.6
Manitoba	2,978	1,597	+86.4
New Brunswick	1,174	933	+25.8
Nova Scotia	1,563	1,557	+0.4
Ontario	19,678	14,167	+38.8
Prince Ed. Island	301	116	+159.4
Quebec	12,204	9,535	+27.9
Saskatchewan	1,394	1,009	+38.1
Newfoundland	514	393	+30.4
	44,984	32,899	+36.7

Sales by Months, 1938-1941
(000's of $)

	1938	1939	1940	1941
Jan.	31,387	28,767	33,726	28,326
Feb.	31,796	29,202	31,820	31,500
Mar	33,461	31,710	30,265	33,700
Apr.	30,612	26,357	32,248	35,398
May	31,016	30,123	31,779	36,172
June	35,660	32,226	28,530	33,670
July	30,635	20,902	28,159	32,681
Aug.	28,446	26,494	24,698	29,597
Sept.	27,928	34,262	26,156	33,975
Oct.	32,372	31,900	31,210	41,740
Nov.	37,167	33,034	32,899	44,984
Dec.	36,475	34,759	33,727	.....
Totals	386,855	368,726	365,217	.....

The Year Ahead — In Car Insurance

Outlook is Obscured By Car Restrictions

The extent to which rationing of gasoline and other war measures may affect the use of automobiles provides the key to the 1942 automobile insurance picture.

Larger national income in 1941 saw an increase in the number of private automobiles in use in all parts of Canada in the past year, with an increase in total premiums. Losses at time of writing are estimated to be about the same as the previous year, resulting in a more favorable net result for the insurance companies.

Until New Year's Eve is over, however, few company executives care to make any forecasts as to the results for the full year. The last week of the year is usually regarded as holding the worst menace for the companies in the way of accidents, due to slippery streets at that time and holiday festivities.

Experience of some previous years has shown that in that one week a favorable loss ratio for eleven and a half months preceding may be turned into an unfavorable one.

Premium Rates

Premium rates on passenger cars in most provinces as usual show considerable variation in relation to the loss experience according to a statistical report prepared by C. H. Frederickson, actuary of the Canadian Underwriters' Association.

The report is prepared each year at the request of the Superintendent of Insurance for Ontario and includes the experience of both tariff and non-tariff companies. It includes all provinces except Quebec and Nova Scotia and Newfoundland.

In the accompanying table is shown the loss ratio in different areas for different coverages, and the percentage by which present rates vary from what is regarded as normal for sound underwriting, and the average cost of claim in each branch.

The loss ratio shown in the first column below is the percentage of losses incurred compared with premiums earned. The second column has been designed to show rates in relation to the losses sustained.

Sound Loss Ratio

Rates in Ontario are aimed generally at being sufficient to keep the loss ratio at 53%. In other parts of Canada, rates which keep the loss ratio at 52½% are considered sound. The plus figure shows the percentage which the rate for a certain coverage should be raised to bring the experience in line with the accepted loss ratio. The minus figure shows the percentage by which rates could be reduced to keep the loss ratio at the same level. In some cases, as in fire and theft in Ontario, rates are shown to be high, in others as in full collision, too low. Fire and theft rates, however, would appear to be about as low as they can go, if they are to be charged at all. Accordingly it is possible the coverage given may be broadened a little to make the situation more equitable.

The third column shows the average cost of claim.

The 1940 policy year in the report includes the experience up to June 30, 1941, because 70% of losses incurred up to that time are on policies written in 1940.

Passenger Cars
Experience In Policy Year 1940

	Loss ratio %	Indicated adjust. of rates %	Aver. cost of claim $
Ontario			
Public liability	48	—9	465
Property damage	65	+23	37
Full collision	68	+28	66
Fire	31	—42	51
Theft	28	—47	24
Full coverage	51	—4	..
New Brunswick			
Public liability	63	+20	482
Property damage	78	+49	50
Full collision	66	+26	70
Fire	36	—31	119
Theft	19	—64	78
Full coverage	66	+26	..
Prince Edward Island			
Public liability	6	—89	69
Property damage	54	+3	37
Full collision	89	+70	67
Fire	63	+20	319
Theft	44	—16	149
Full coverage	57	+9	..
Manitoba			
Public liability	41	—22	351
Property damage	63	+20	30
Full collision	76	+45	61
Fire	30	—43	60
Theft	38	—28	26
Full coverage	47	—10	..
Saskatchewan			
Public liability	37	—30	480
Property damage	65	+24	48
Full collision	59	+12	46
Fire	22	—58	75
Theft	13	—75	24
Full coverage	41	—22	..
Alberta			
Public liability	50	—5	607
Property damage	51	—3	49
Full collision	40	—24	52
Fire	28	—47	112
Theft	29	—45	42
Full coverage	48	—9	..
British Columbia			
Public liability	58	+10	750
Property damage	52	—1	45
Full collision	62	+18	39
Fire	18	—66	58
Theft	25	—52	16
Full coverage	52	—1	..

COMMERCIAL VEHICLES

	Loss ratio %	Indicated adjust. of rates %	Aver. cost of claim $
Ontario			
Public liability	72	+36	543
Property damage	65	+23	40
Full collision*	57	+8	85
Fire	31	—42	184
Theft	30	—43	42
Full coverage	63	+19	..
New Brunswick			
Public liability	99	+89	487
Property damage	87	+66	49
Full collision*	84	+60	32
Fire	31	—41	214
Theft	5	—90	80
Total	71	+35	..
Prince Edward Island			
Public liability	13	—75	89
Property damage	114	+117	56
Full collision*	195	+271	86
Fire	47	—10	304
Theft	..	....	..
Total	89	+70	..
Manitoba			
Public liability	58	+10	418
Property damage	59	+12	33
Full collision*	109	+108	32
Fire	56	+7	292
Theft	38	—28	60
Total	57	+9	..
Saskatchewan			
Public liability	23	—56	334
Property damage	74	+41	62
Full collision*	100	+90	151
Fire	51	—3	391
Theft	31	—41	141
Total	53	+1	..
Alberta			
Public liability	20	—62	440
Property damage	47	—10	52
Full collision*	60	+14	60
Fire	44	—16	402
Theft	28	—47	70
Total	38	—29	..
*Total for years 1936 to 1940.			
British Columbia			
Public liability	47	+10	615
Property damage	53	+1	37
Full collision*	60	+14	35
Fire	39	—26	354
Theft	24	—54	31
Total	49	—7	..

*Total for years 1936-1940.

The Year Ahead — In Fire Insurance

Upward Trend Seen In Fire Insurance

A higher gross value of property insured is indicated for the fire insurance companies in Canada in 1942.

This estimated larger value of property at risk is based on the experience of 1941, which in turn is attributed to greater activity in business and increased replacement costs of buildings and materials.

Over Canada generally there has been a great deal of new construction. This has meant some new business for the insurance companies, but not as much as had been expected. A large number of these buildings were erected for the government and accordingly were insured only during the time of construction, when they were in the hands of the contractor.

More Buildings

Altogether there has been a substantial increase in the number of buildings for which fire insurance is wanted.

Under war conditions and especially in recent months the replacement costs of buildings as well as goods and materials has increased substantially. One insurance man intimated to The Financial Post that values of buildings and goods and materials averaged about 25% higher than a year ago. In many cases he said replacement costs would be a good deal higher than this. At this rate, with the total value of insured property in Canada at the end of 1940 about $12 billions, there should be over $15 billions at risk in 1942.

Reductions in premium rates range about 10% to 25% and have been brought about by the lower fire loss ratios in recent years. These lower fire loss ratios in turn have been due to better firefighting apparatus, better fire prevention methods, greater care by the public and improved construction.

Three-Year Contracts

The change in writing mercantile insurance policies from a one to a three-year term arose from a revision in the insurance regulations in most of the provinces. Formerly the insurance laws had prohibited stock companies writing policies on mercantile risks, including stores and factories, for more than one year. This was changed, however, over a year ago and from Jan. 1, 1941, it has been legal to write these contracts for three years, just as has been done on residences, churches and schools for many years. Following the change in the law, most policies of this kind as they expired were rewritten for three-year terms. The premium ordinarily charged on the three-year basis is 2½ times the ordinary premium for one year. This has meant a large increase in the premium income of the companies in 1941 but it will probably mean a decrease in the revenue from this field in 1942. Total company income from mercantile risks over the three years will also be lower than under the former system.

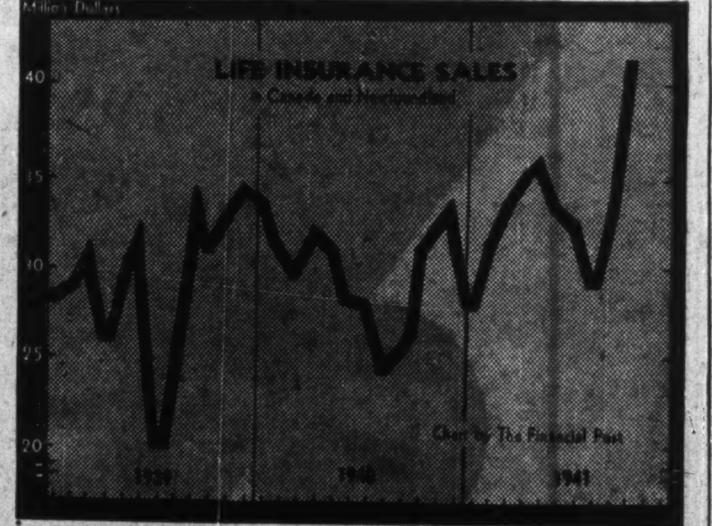
Agents' Income

The changeover from a one to a three-year system also affected the income of the agents. Those writing three-year term policies were paid commissions on the three-year premium. This meant a big commission income from this source in 1941, but will probably mean less in the next two years. This also caused a problem as regards income tax and also excess profits taxes to which fire insurance agents are subject. Arrangements have been made with the income tax authorities, however, by which agents can spread these commissions over three years as far as taxable income is concerned.

Entry of Japan into the war has resulted in the companies in Canada ceasing to write war and bombardment insurance. In company circles it is believed the Dominion government may possibly take over this branch.

Casualty Insurance

Casualty insurance has been active and continued large volume of business is looked for in 1942. In some cases, such as burglary insurance, there has been a decline due to the inclusion of the coverage formerly given by straight burglary policies in Personal Property Floater contracts. Accident and sickness insurance have been in good demand, especially among workers who are afraid of loss of wages if they should be unable to go to work because of either accident or sickness.



LONDON LIFE APPOINTMENTS

George S. Bere (left) and Douglas P. Morris have been appointed actuaries of the London Life Insurance Co.

Mr. Bere is a graduate of the University of Toronto and an Associate of the Actuarial Society of America. He joined the London Life 25 years ago, leaving for a while for active service in the last war. In 1934 he was appointed assistant actuary of the company. He is chairman of the group insurance committee of the Canadian Life Insurance Officers Association and a member of its committee on the Uniform Life Insurance Act.

Mr. Morris joined the London Life on graduation from the University of Western Ontario in 1925. He is a Fellow of both the Actuarial Society of America and the American Institute of Actuaries. He was appointed assistant actuary in 1934. Recently he has been secretary of the Actuaries Club of Toronto.

Foreign Exchange

During the week Dec. 16 to Dec. 22 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Dec. 22

Australia	3.56	N. Zealand	3.61
India	.3353	S. Africa	4.47
Hong Kong	.2835		

FIRE INSURANCE WITH Dividends YEAR AFTER YEAR

Under the Northwestern Mutual plan, dividends paid policyholders in 1940 totalled $1,463,559. Since organization over $27,000,000 has been returned to policyholders.

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THE Dominion of Canada GENERAL Insurance Company
Established 1887
Fire Casualty Life

International Paints (Canada) Limited

and Subsidiary Companies

Consolidated Balance Sheet—September 30, 1941

Assets

Current Assets:			
Cash in bank and on hand		$123,124.04	
Accounts Receivable, less Reserve of $29,000.00 for Bad and Doubtful Accounts		450,519.74	
Surrender value of Life Insurance Policies		5,913.45	
Physical Inventory, as certified by the Management, valued in respect of Raw Materials and Supplies at the lower of cost or market, and as to Goods in Process and Manufactured Stock at Standard Costs estimated by the Management		582,504.63	$1,162,061.86
Investments at Cost, less Reserve of $25,000.00			5,744.36
Deferred Charges to Operations:			
Prepaid Insurance, Taxes, etc.			12,631.14
Property Assets:			
Carried at appraisal at February 29, 1940, by Canadian Appraisal Company Limited plus subsequent additions (net)		$702,736.66	
Deduct:			
Reserve for Depreciation adjusted to amount shown by above appraisal, plus subsequent additions (net)	$260,167.05		
Surplus arising from appraisal of Properties	150,916.75	411,083.80	291,652.86
Trade Marks, Patents, Formulae and Goodwill		$190,001.00	
Less:			
Surplus appropriated for Bonds redeemed	$116,800.00		
Capital Surplus	10,087.69	126,887.69	63,113.31
			$1,535,203.53

Liabilities

Current Liabilities:			
Accounts Payable		$234,377.04	
Accrued Liabilities		2,776.55	
Provision for Dominion, Provincial and Other Taxes		199,243.95	$ 436,397.54
First Mortgage Ten Year 5½% Sterling Bonds:			
Due September 1, 1943: Issued	£30,000.0.0	$146,000.00	
Less: Redeemed and cancelled	24,000.0.0	116,800.00	29,200.00
	£ 6,000.0.0		
General Reserve			101,190.01
Reserve for Future Depreciation in Inventory Values			35,000.00
5% Cumulative Participating Preferred Stock:			
Authorized and Issued—42,000 shares of $20.00 each			840,000.00
Note: Dividends aggregating $5.75 per share have accumulated on the Preferred Shares of which $1.25 has since been declared payable on January 12, 1942. When all arrears of dividends have been paid up, the dividend rate will increase to 6%.			
Common Stock:			
Authorized and Issued—Class "A" — 20,860 shares without par value		$104,300.00	
Class "B" — 7,140 shares without par value		35,700.00	
		$140,000.00	
of which the total amount was attributed to Surplus and applied by Directors to write down Goodwill, etc.		140,000.00	
Earned Surplus:			
Balance at September 30, 1941, as per statement attached		$ 64,215.98	
Appropriated for future redemption of Bonds		29,200.00	93,415.98
			$1,535,203.53

Approved on Behalf of the Board:
J. EDOUARD LABELLE, Director.
J. H. DAVEY, Director.

Submitted with our Report to the Shareholders Dated December 11, 1941.
PRICE, WATERHOUSE & CO. Auditors.

Consolidated Statement of Profit and Loss and Earned Surplus for the Year Ending September 30, 1941.

Profit from Operations, before provision for the undernoted items		$405,485.26
Miscellaneous Income		533.77
		$406,019.03
Interest on Bonds	$ 3,078.19	
Directors' Fees	1,770.00	
Executive Salaries	28,551.23	
Legal Fees	448.00	33,847.42
		$372,171.61
Provision for Depreciation, including special amortization		49,279.50
		$322,892.11
Provision for Dominion and Provincial Income and Excess Profits Taxes	$184,423.81	
Transferred to General Reserve	32,662.30	217,086.11
		$105,806.00
Appropriated for future redemption of Bonds	$ 9,306.00	
Provision for future depreciation in Inventory values	35,000.00	
Transferred to Reserve for Bad and Doubtful Accounts	9,000.00	53,306.00
		$ 52,500.00
Earned Surplus, Balance September 30, 1940	$ 64,845.06	
Exchange Profit on Redemption of Company's Bonds (£6,000.0.0)	2,380.00	67,225.06
		$119,725.06
Dividend paid on Preferred Stock, January 10, 1941	$ 52,490.00	
Net Loss on sale of Capital Assets	2,827.60	
Adjustment in respect of Provincial Profits Taxes	191.48	55,509.08
Balance Earned Surplus, September 30, 1941		$ 64,215.98

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of International Paints (Canada) Limited and its wholly owned subsidiary companies for the year ending September 30, 1941, with the exception of Stewart and Wood Limited, in respect of which we have accepted accounts audited by another firm of Chartered Accountants. We have received all the information and explanations which we have required. Provision has been made for Income and Profits Taxes in amounts considered by the Directors to be sufficient and this provision is subject to final determination by the Income Tax Department. On this basis we report that, in our opinion, the attached Consolidated Balance Sheet at September 30, 1941, is properly drawn up so as to show a true and correct view of the state of the combined affairs of International Paints (Canada) Limited, and its subsidiary companies at that date, according to the best of our information and the explanations given to us, and as shown by the books of the Companies which we have examined and by the audited accounts of Stewart and Wood Limited.

PRICE, WATERHOUSE & CO., Auditors.

MANY products which were leaders before the war will face greatly increased competition when peace returns. If you cannot supply every customer who wants your product today, there is a great danger of losing the public acceptance your product now enjoys. Future earnings depend upon your defense of that acceptance.

Poster Advertising is an economical way to keep your product remembered. By telling your story every day to the very audience of men, women and children who should be your future buyers, Posters guard public acceptance and protect future earnings.

THE POSTER ADVERTISING ASSOCIATION OF CANADA
80 Richmond Street W. Toronto

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS MUTUAL INSURANCE COMPANY

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES:
Agency Building, 221 A 8th Ave. W. — Edmonton, Alta.
McCallum-Hill Building — Calgary, Alta.
411 Avenue Building — Regina, Sask.
Saskatoon, Sask.

The Year Ahead

Newsprint Policy Proves Its Worth

After 28 Months of War Benefits Well Recognized

By JOHN LANGDON
Eastern Editor, The Financial Post

MONTREAL.—Continued response of American publishers to the policy set down by the Canadian newsprint industry at the outset of war, is seen in the fact that at present a larger percentage of the American market's requirements are under contract than ever before.

The recent upward adjustment of prices of $3 a ton for the second quarter of 1942 has been well received by the American publishers. Naturally no publisher likes to see an advance in the cost of one of his basic raw materials. However, those in the U. S. have accepted the increase in good grace, appreciating that the price of newsprint has been unchanged since the beginning of 1938. What was an even more impelling motive, however, was the broad realization that Canadian newsprint manufacturers have "played ball" with them and have not taken advantage of a war condition to profiteer.

Policy of Industry

Shortly after war started Charles Vining, president of the Newsprint Manufacturers Association of Canada, made public a statement on the industry's wartime policy.

"The Canadian newsprint manufacturers will meet the wishes of their government by avoiding any attempt to profiteer and will make every possible effort to maintain stabilized conditions of continuous supply and to discourage methods of buying and selling which might cause a disorderly market.

"If normal contract methods of buying are followed the Canadian mills believe they are in position to assure continuous adequate supply to all customers depending upon them."

Reasons for Policy

In adopting this policy the industry was inspired by a number of factors. First the manufacturers appreciated that any advantage arising out of the war would be temporary.

Second the after-war period of readjustment most likely would be extremely difficult and establishment of firm relations with the publishers at this stage might pay handsome dividends later.

Thirdly, operators knew that the dog-eat-dog policy of past years did not pay and any policy laid down by them to be successful must take into consideration the problems of the consumer.

Fourth was the keen realization by the manufacturers of the highly important place they occupied in Canada's wartime economy.

Two Jobs to Do

They realized they had two jobs on hand. The first was to help provide Canada with the foreign exchange on which the ability to wage war depends to a considerable degree. The second was to preserve stable and dependable conditions of supply to sustain a free press as an essential weapon of democracy.

Ace Source of Exchange

In providing foreign exchange newsprint is the most important of all Canadian commodities with the single exception of gold. Nearly 98% of Canadian newsprint output is sold outside of Canada, chiefly in the United States, and its export value in 1941 established a new record of well over $150 millions. In 1940 Canadian newsprint brought something like $125 millions of American funds from shipments to non-British countries, as well as several million pounds sterling from shipments to the British Isles and other parts of the Empire.

After gold and rubber, newsprint yields more United States dollars than any other commodity in the British Empire.

Unquestionably Canada's ability to finance her purchase of necessary war and civilian goods in the United States has been greatly aided by the volume of U. S. exchange provided by the Canadian newsprint industry.

In pre-war days there were five principal newsprint export areas—Canada, Scandinavia, Newfoundland, Great Britain and Germany. Germany in pre-war days was dumping newsprint into various exports in order to build up her foreign exchange reserves or to secure certain essential supplies. Normally she is not an important factor in world newsprint trade.

Depend on Canada

Within a relatively short time after the war started Great Britain dropped out of the export market. A few months later the Scandinavian countries were either at war or blockaded, so they, too, dropped out of the picture.

For the best part of two years the Canadian and Newfoundland newsprint industries have shouldered the task of supplying non-European countries with their newsprint needs.

Many countries whose goodwill we value highly, such as those in Central and South America, have been dependent upon these two sources of supply.

Help Create Goodwill

The fact their requirements were looked after in a fair and equitable way has, no doubt, been a factor—and a very important one—in creating goodwill.

The industry has definitely met its objective in the two fields of supplying foreign exchange for Canada's war effort and in sustaining a free press as an essential weapon of democracy.

It is only when an examination is made of the methods used by the industry in maintaining "stable and dependable supplies" does there come a full realization of the contribution which the Canadian newsprint industry has made to Canada's war effort.

Reasons for Profiteering

For nearly 10 years before the war the industry had experienced a series of ups and downs. Many of the companies had been through the bankruptcy courts (one major company is still in receivership). The return on capital investment had been negligible. Employment and wage conditions had been unsatisfactory. For two years the price of newsprint had gone unchanged at the base price of $50 a ton.

There existed, when the war broke out, the greatest temptation to profit by the changed conditions.

Instead the industry turned its back on this prospect and set up a wartime policy in the belief that it was, in the first instance, most helpful to Canada's war effort and, secondly, insurance against the post-war readjustment period. To that end the price of newsprint has been unchanged since the war started. No change is contemplated until next April.

Magna Charta of Industry

This policy might well be called the Magna Charta of the Canadian newsprint industry.

It represented a new approach to relations between the manufacturers and consumers.

It represented a broader and sounder understanding by the industry's leaders of their responsibilities.

How has it worked out?

Met Responsibilities

In the reorientation of the world's newsprint market, Canadian manufacturers have met the demands of publishers in practically every country outside of Europe.

They have replaced, if not in its entirety then in large part, the newsprint needs of Mexico, Argentine, Brazil, Colombia, Chile, Cuba and other central and South American countries. They have shipped to Egypt, British South Africa, India, Netherlands East Indies, China (also to Japan until lately) and a score of other markets. All this has been in addition to regularly established markets such as the United States, Australasia, and the United Kingdom.

Not only have markets been reoriented, but shipping facilities have been disrupted because of war conditions. This has placed a great strain on the manufacturers. In some months deliveries have been exceptionally high because of the availability of shipping; other months, shipping has been scarce and the paper has had to be stored.

Despite these difficulties Canadian manufacturers have managed most successfully to provide their overseas customers with a regular supply of newsprint paper.

Not only has the Canadian newsprint industry done a splendid job in meeting the requirements of overseas publishers, but it has, in more than one instance, gone out of its way to co-operate with those publishers to assure them a supply of newsprint paper.

U. S. Publishers Help

All this has been made possible not only because of the close adherence by the individual manufacturers to the common policy, but also because of the degree of co-operation received from the American publishers.

From the start of the war the American publishers realized that the continuance of a stable supply of newsprint paper depended in large part upon the manner in which they worked with the Canadian manufacturers in working out their own requirement schedule.

In ordinary times it was customary for the publishers to carry a minimum of stocks. Many of them were averse to signing contracts for their full year's paper supply. This gave them greater freedom to shop around for cheap paper.

Wartime conditions changed all that with the elimination of the Scandinavian mills from the American market, U. S. publishers were quick to appreciate that for their own protection, they had to co-operate closely with the manufacturer so that the latter could regulate his production and arrange for deliveries.

Work in Common Interest

The American Newspaper Publishers Association has, right along, actively counselled its members to estimate their paper requirements for the full year and take deliveries in equal monthly requirements. They have also been urged to make contracts, as it was pointed out contract-holders would be given preference by the manufacturers in the event of any tightness developing in the available supply of paper.

This advice was taken to heart.

To date no American publisher has suffered from a shortage of newsprint paper. And, as far as can be foreseen at this stage, the Canadian manufacturers are in a position to maintain adequate supplies as long as they continue to receive support from the publishers in working out stable marketing conditions.

This is the record of the Canadian newsprint industry after two years and four months of operating under wartime conditions and under a policy that sets the interests of the majority above those of the few.

Hinde & Dauch Sets Record

1941 Production Reaches New Peaks and 1942 Promising

The year just closed has been the busiest one experienced by Hinde & Dauch Paper Co. of Canada since established in 1909, states L. F. Winchell, vice-president and general manager, in a letter accompanying the current quarterly dividend of 25 cents a share. This is double recent payments which have been at a quarterly rate of 12½ cents a share.

New peaks in tonnage were attained by all divisions of the company and "indications are that even heavier demands will be with us during the coming year, so that the stage would seem to be set for further records in 1942," adds Mr. Winchell. Raw materials are becoming constantly more difficult to obtain in the quantities necessary for new production peaks, in spite of rising costs, "so that our production next year may suffer some restrictions for this reason."

Waste paper is the principal raw material used by Hinde & Dauch and is "a commodity vitally necessary to both direct and indirect war productions." A serious shortage seems to be developing, he states, appealing to shareholders to make sure that all waste paper they have is saved and reaches paper mills.

In 1940 Hinde & Dauch reported net profits of $415,589, equivalent to $1.39 a share on its common stock. Judging from reports of record output for 1941, net profits should again show some increase over the 1940 levels.

International Paper Calls Bonds for Fund

From Our Own Correspondent

MONTREAL.—Bankers Trust Co. of New York, as trustee for International Paper Co., has drawn by lot for redemption on Jan. 1, 1942, of the sinking fund moneys, $102,000 principal amount of International Paper Co. first refunding 5% sinking fund bonds, Series "A" and "B" at 102½ and accrued interest. Payments will be made on and after Jan. 1 at the New York office of the trustee.

The Year Ahead

More Dollars Likely Next Year

Newsprint Industry Tonnage May Be About the Same

From Our Own Correspondent

MONTREAL. — Preliminary estimates of the volume of newsprint tonnage available to Canadian mills in 1942 place the figure at approximately the same level as in 1941. This would indicate a production of somewhere around 3.4 million tons.

While no change is expected in overall demand, the dollar revenue of the industry next year should be from 5% to 10% higher. This takes into consideration a lack of price change in the first quarter; an advance on export prices of $3 a ton in the second quarter and the maintenance or possibly a moderate increase during the balance of the year.

Inasmuch as the Dominion government no longer makes available detailed figures on exports of newsprint paper it is impossible to appraise possible changes in the overseas trade. In so far as domestic demand is concerned any change that may develop will not be of any consequence one way or the other.

U. S. Prospects Healthy

The American situation looks healthy. Demand should be maintained, if not increased. The prospects are slightly weighted in favor of a larger use of newsprint paper in the United States next year. With that country actively participating in the war, newspaper circulation should move ahead appreciably, while the increase in spending power should prove benficial to retail sales and in turn the volume of advertising.

While the U. S. situation appears promising the same cannot be said about overseas trade. Shipping difficulties will tend to hold down deliveries. At the same time exchange restrictions, etc., may depress the volume of trade. However, on balance, any decline in overseas trade is likely to be offset by an increase in demand from the United States.

Lake St. John Power Interest Paid April 1

MONTREAL.—Reports that Lake St. John Power and Paper Co. may pay the 5% interest for 1941 on its debentures in January rather than April lack official confirmation.

While there is nothing to prevent directors from declaring the interest payment earlier than April 1, as was the case this year, it still is unlikely that the actual payment will be made until April 1. This is in conformity with the trust deed requirements.

As from the beginning of 1942, Lake St. John 5% debentures change over to a fixed income basis. Hitherto the debentures have been on the pay-if-earned basis.

Fuel is a Vital Sinew of WAR
-- EVERY EFFORT MUST BE MADE TO PRESERVE IT!

Notice to Householders!

IF YOU BURN COKE OR COAL HERE ARE 10 WAYS TO SAVE — AND HELP NATIONAL DEFENCE

1 Select type and size of fuel carefully No definite rule can be given as the selection depends upon the equipment, the load, and the capacities of the fireman. It usually pays to experiment with a few different coals before making final selection. The coal costing the least in dollars per ton may not give the least total yearly fuel cost, as more of it may be used

2 Keep plenty of fuel in the furnace. Avoid thin fuel beds. The amount of fuel that is burned depends on the amount of air permitted to flow through it.

3 Keep air entering ash pit or furnace under control. Air going into the ash pit should be controlled by the ash pit damper. Air entering the furnace for the top of the fire should be controlled by the furnace door damper. Additional control can be had from the butterfly damper and the check damper at the furnace outlet. Automatic control based on the temperature in the house is more satisfactory and efficient than hand control of the dampers. Stop all uncontrolled leakage of air into the ash pit and around furnace doors. Such leaks may be discovered with a lighted match or better with a candle flame. Various furnace cements may be used to stop many kinds of leaks; steel wool may be used to lessen the leakage around the grate shaker rod. Badly fitting doors or dampers should be properly fitted by filing or be replaced.

4 Before shoveling fresh coal into the furnace, hoe up the fuel bed so that some hot red fuel will remain at the top of the bed after firing. This red fuel ignites unburned gases coming from the fuel bed.

5 Where there is much flaming at the top of the fuel bed, admit some air over the fire through the damper on the furnace firing door. This air is needed to burn the gases at the top of the fuel bed.

6 Shake down the ashes gently and stop when any red particles fall into the ash pit. This usually leaves some ash on the grates which is desirable to protect them.

7 Do not stir up a fire with a poker. This is apt to throw ashes up into the burning part of the fire where they will melt and form clinkers. If necessary to use the poker, do so gently and do not use any deep "lifting-up" strokes.

8 Do not let the ash pit remain full of ashes. There should always be plenty of room over the ashes to permit entering air to reach all parts of the grate. This prevents the grates from heating up and melting.

9 Keep all heating surfaces of the equipment clean in order to obtain better heat transfer.

10 Keep breeching or furnace pipe to chimney free from obstructions and air leaks. Keep chimney reasonably clean, free from obstructions and air leaks.

This is reprinted by the courtesy of the United States Bureau of Mines. A reprint of these ten points, suitable for hanging in your furnace room, will be sent on request Apply Dept. 51.

INTERNATIONAL FIBRE BOARD LIMITED
GATINEAU, QUEBEC

TEN-TEST INSULATION
Helps Fuel Conservation

Meet Seaman DOUG BROWN

DOUG BROWN is a fine boy He is young, he is courageous, he is your fellow Canadian. He has a doting mother, a proud father—and he carries a picture of his girl in his wallet.

Doug Brown risks his life bringing coal to Canada. Through waters infested with submarines—with wings of death flying overhead—Doug Brown's ship brings one of the most important sinews of war—coal—to our shores

Your coal bill has a direct bearing on the lives of all the Doug Browns in the merchant marine

Think about this when you shovel coal on the fire Think about it when you pay your next month's coal bill

And think if there is anything you can do to conserve fuel and do it!

Effective insulation is the best way of conserving fuel One of the most efficient forms of insulation yet devised is rigid Fibre board. That is why Ten Test Rigid Fibre Board is so widely used for wartime construction

If you are interested in learning how you can insulate your present home or if you plan to build send for our free booklet "I want facts", that tells how Ten Test insulation can cut your fuel bills up to 30%. Write to International Fibre Board, Limited, Gatineau, Que Dept 51. Ask for Ten Test Fuel Saving Chart too!

TEN-TEST INSULATION
Fuel Conservation!

ARE YOU THROWING COAL OUT THE WINDOW?

OF COURSE you aren't — but if the precious heat from your furnace is escaping through the walls and roof of your home—the effect is the same.

For while high coal bills are a personal annoyance at all times—in wartime they are a national tragedy!

Fuel conservation is a vital part of our national plan for an all-out war effort.

And the only really effective means of conserving fuel is through proper insulation.

If you are interested in learning how you can insulate your present home — or if you plan to build — send for our free booklet "I want facts", that tells how Ten Test insulation can cut your fuel bills up to 30%. Write to International Fibre Board, Limited, Gatineau, Que. Dept. 51. Ask for the Ten Test Fuel Saving Chart too!

Ten Test insulation is a lifetime investment in thousands of Canadian homes Ten Test is widely used in wartime construction For Ten Test rigid fibre board is a lasting barrier through which air cannot freely pass, assuring you of proper insulation not just this year and for the next few years but for the lifetime of the building

TEN-TEST INSULATION
Helps Fuel Conservation!
INTERNATIONAL FIBRE BOARD LIMITED

This series of advertisements is appearing in national newspapers across Canada in the interests of the fuel conservation programme. Reprints have been made of the advertisement telling how to conserve fuel, and are available to anyone who writes for them. Apply Dept 51.

INTERNATIONAL FIBRE BOARD, Limited - Gatineau, Que.

TEN-TEST INSULATION Helps Fuel Conservation

"No Company Can Afford t

LEADERSHIP—WON AND MAINTAINED

These Industrial Advertisers are reaching the Nation's "Influence Group" and Its Decisive Buying Power through

THE FINANCIAL POST

ABITIBI POWER & PAPER CO. LTD.
ACME GLOVE WORKS, LTD.
Agency—A. McKim Limited
ADDRESSOGRAPH-MULTIGRAPH OF CANADA LTD.
Agency—J. J. Gibbons Ltd.
ALBERTA PACIFIC GRAIN CO.
ALL-CANADA RADIO FACILITIES LTD.
Agency—J. Walter Thompson Co. Ltd.
ALUMINUM COMPANY OF CANADA LTD.
Agency—Cockfield, Brown & Co. Ltd.
AMALGAMATED ELECTRIC CORPN.
Agency—Ronalds Advertising Agency Ltd.
AMERICAN AIR LINES INC.
Agency—Walsh Advertising Co. Ltd.
ANACONDA AMERICAN BRASS LTD.
Agency—Lord & Thomas of Canada Ltd.
ATLANTIC SUGAR REFINERIES LTD.
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AUTOMOTIVE TRANSPORT ASSOCIATION OF ONTARIO
Agency—Russell T. Kelley Ltd.
AYERS LIMITED
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Agency—J. Walter Thompson Co. Ltd.
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Agency—McConnell, Eastman & Co. Ltd.
BELL TELEPHONE CO. OF CANADA, THE
Agency—Cockfield, Brown & Co. Ltd.
BENNETT & WHITE CONSTRUCTION CO. LTD.
Agency—J. J. Gibbons, Ltd.
BENSON & HEDGES (CANADA) LTD.
Agency—Cockfield, Brown & Co. Ltd.
BRITISH AEROPLANE ENGINES, LTD.
Agency—A. McKim Ltd.
BRITISH AMERICAN BANK NOTE CO. LTD.
Agency—A. McKim Limited
BRITISH AMERICAN OIL CO. LTD.
Agency—J. Walter Thompson Co. Ltd.
BRITISH COLUMBIA POWER CORP.
BUILDING PRODUCTS LTD.
Agency—Cockfield, Brown & Co. Ltd.
BURLINGTON STEEL CO. LTD.
Agency—Russell T. Kelley Ltd.
BURROUGHS ADDING MACHINE CO. OF CANADA LTD.
Agency—MacLaren Advertising Co. Ltd.
BURT BUSINESS FORMS LTD.
Agency—Walsh Advertising Co. Ltd.
CANADA CEMENT CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.
CANADA FOUNDRIES AND FORGINGS LTD.
CANADA IRON FOUNDRIES, LTD.
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CANADA MACHINERY CORPN. LTD.
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CANADIAN BREWERIES LIMITED
Agency—A. McKim Limited
CANADIAN BRIDGE CO. LTD., THE
Agency—Walsh Advertising Co. Ltd.
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Agency—J. J. Gibbons, Limited
CANADIAN CELANESE LTD.
CANADIAN CONTROLLERS LTD.
Agency—Walsh Advertising Co. Ltd.
CANADIAN COTTONS LTD.
CANADIAN FAIRBANKS-MORSE CO. LTD., THE
Agency—Norris-Patterson Ltd.
CANADIAN GENERAL ELECTRIC CO. LTD.
Agency—MacLaren Advertising Co. Ltd.
CANADIAN INDUSTRIES LTD.
"Cellophane" Division.
Agency—McConnell, Eastman & Co. Ltd.
"Explosives" Division and "Institutional."
Agency—Ronalds Advertising Agency Ltd.
CANADIAN INGERSOLL-RAND CO. LTD.
CANADIAN INTERNATIONAL PAPER CO.
CANADIAN JOHNS-MANVILLE CO.
Agency—MacLaren Advertising Co. Ltd.
CANADIAN MARCONI CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.
CANADIAN OIL COMPANIES LTD.
Agency—McConnell, Eastman & Co. Ltd.
CANADIAN PACIFIC RAILWAY
Agency—A. McKim Ltd.
CANADIAN POSTAGE METERS & MACHINES CO. LTD.
Agency—Walsh Advertising Co. Ltd.
CANADIAN PRATT & WHITNEY AIRCRAFT CO. LTD.
CANADIAN STEEL CORPN.
Agency—Walsh Advertising Co. Ltd.
CANADIAN TUBE & STEEL PRODUCTS LTD.
Agency—Norris-Patterson Ltd.

CANADIAN VICKERS LTD.
Agency—Norris-Patterson Ltd.
CANADIAN WESTERN NATURAL GAS, LIGHT, HEAT & POWER CO. LTD.
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CANADIAN WOOD PIPE & TANKS LTD.
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CANADIAN WRIGHT LTD.
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CAREY, PHILIP & CO. LTD.
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COURTAULD'S (CANADA) LTD.
Agency—Ronalds Advertising Agency Ltd.
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CRAWLEY & McCRACKEN CO. LTD.
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DAVIE SHIPBUILDING & REPAIRING CO. LTD.
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DICTAPHONE SALES CORP. LTD.
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DOMINION BRIDGE CO. LTD.
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Agency—Cockfield, Brown & Co. Ltd.
DOMINION ENVELOPES CO. LTD.
DOMINION FOUNDRIES AND STEEL LTD.
Agency—Russell T. Kelley Ltd.
DOMINION GAS & ELECTRIC CO.
Agency—J. J. Gibbons, Limited
DOMINION STEEL & COAL CORP. LTD.
Agency—A. McKim Limited
DOMINION STORES LTD.
Agency—J. Walter Thompson Co. Ltd.
DOMINION TEXTILE CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.
DOMINION WOOLLENS & WORSTEDS LTD.
DONNACONA PAPER CO. LTD.
DORR COMPANY, INC., THE
DUNLOP TIRE AND RUBBER GOODS CO. LTD.
Agency—Vickers & Benson Ltd.
E. B. EDDY CO. LTD., THE
Agency—J. J. Gibbons, Limited
EDISON, THOMAS A., OF CANADA, LTD.
Agency—Ronalds Advertising Agency Ltd.
ENGLISH ELECTRIC CO. OF CANADA LTD.
Agency—Ferres Advertising Service
FAIRCHILD AIRCRAFT LTD.
FAMOUS PLAYERS CAN. CORP. LTD.
FEDERAL FOUNDRIES & STEEL CO. LTD.
FEDERAL GRAIN CO.
FIRESTONE TIRE & RUBBER CO. OF CANADA LTD.
Agency—Russell T. Kelley Ltd.
FLEET AIRCRAFT LTD.
FORD MOTOR CO. OF CANADA LTD.
Agency—Cockfield, Brown & Co. Ltd.
FOSTER WHEELER LIMITED
Agency—A. McKim Limited
FOUNDATION CO. OF CANADA LTD.
Agency—A. McKim Limited
FRID CONSTRUCTION CO. LTD.
Agency—Locke Johnson & Co. Ltd.
FROST STEEL & WIRE CO. LTD.
Agency—Russell T. Kelley Ltd.
GATINEAU POWER CO.
GENERAL ENGINEERING CO. (CANADA) LTD.
Agency—Tandy Advertising Agency Ltd.
GENERAL MOTORS PRODUCTS OF CANADA LTD.
Agency—MacLaren Advertising Co. Ltd.
GENERAL STEEL WARES LTD.
Agency—Cockfield Brown & Co. Ltd.
GESTETNER, D., (CANADA) LIMITED
Agency—Norris-Patterson Ltd.
GLOBE ENVELOPES LTD.
Agency—Ellis Advertising Co.
GOODRICH RUBBER CO. OF CANADA LTD., B. F.
Agency—Cockfield, Brown & Co. Ltd.
GOOD RICH REFINING CO. LTD.
Agency—Walsh Advertising Co. Ltd.
GOODYEAR TIRE & RUBBER CO. LTD.
Agency—J. J. Gibbons, Limited

GREAT LAKES PAPER CO.
GUTTA PERCHA AND RUBBER LTD.
Agency—Tandy Advertising Agency, Ltd.
GYPSUM, LIME & ALABASTINE (CANADA) LTD.
Agency—McConnell, Eastman & Co. Ltd.
HAMILTON BRIDGE CO., LTD.
Agency—Russell T. Kelley Ltd.
HAYES STEEL PRODUCTS LTD.
Agency—Ferres Advertising Service
HINDE & DAUCH PAPER CO. OF CANADA LTD.
HORTON STEEL WORKS LTD.
HUDSON BAY MINING AND SMELTING CO. LTD.
HUDSON MOTORS OF CANADA LTD.
Agency—Ronalds Advertising Agency Ltd.
HULL STEEL FOUNDRIES LTD.
Agency—Stanfield & Blaikie Ltd.
HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO
Agency—J. J. Gibbons, Ltd.
IMPERIAL OIL LTD.
Agency—Cockfield, Brown & Co. Ltd.
IMPERIAL TOBACCO SALES CO. OF CANADA, LTD.
Agency—A. McKim Limited
INDUSTRIAL ACCEPTANCE CORP. LTD.
Agency—Ronalds Advertising Agency Ltd.
INTERLAKE TISSUE MILLS LTD.
Agency—A. McKim Ltd.
INTERNATIONAL BUSINESS MACHINES CO. LTD.
Agency—Thornton Purkis
INTERNATIONAL CORRESPONDENCE SCHOOLS CANADIAN LTD.
Agency—A. McKim Ltd.
INTERNATIONAL FIBRE BOARD LTD.
Agency—Young & Rubicam Ltd.
INTERNATIONAL HARVESTER CO. OF CANADA LTD.
Agency—Aubrey, Moore & Wallace Inc.
INTERNATIONAL NICKEL CO. OF CANADA LTD.
Agency—Cockfield, Brown & Co. Ltd.
INTERNATIONAL PAINTS (CANADA) LTD.
Agency—A. McKim Ltd.
JACOBS AIRCRAFT ENGINE CO.
Agency—Alan P. Lyster Advertising
JENKINS BROS. LIMITED
Agency—Norris-Patterson Ltd.
KINGSTON SHIPBUILDING CO. LTD.
LIVINGSTON STOKER CO. LTD.
Agency—Ardiel Advertising Agency Ltd.
MACDONALD, W. C., INC.
Agency—Richardson-MacDonald Adv. Service, Ltd.
MACLAREN POWER & PAPER CO.
MARINE INDUSTRIES, LTD.
MARITIME TELEGRAPH & TELEPHONE CO. LTD.
Agency—Imperial Publishing Co.
MASSEY-HARRIS CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.
McKINNON INDUSTRIES LTD.
Agency—MacLaren Advertising Co. Ltd.
McNAMARA CONSTRUCTION CO. LTD.
MERCURY MILLS LTD.
Agency—J. Walter Thompson Co. Ltd.
METALLIC ROOFING CO. LTD.
Agency—J. J. Gibbons, Ltd.
MIDLAND SHIPYARDS LTD.
MINNEAPOLIS-HONEYWELL REGULATOR CO. LTD.
Agency—Ronalds Advertising Agency Ltd.
MITCHELL, ROBT., CO. LTD.
MONSANTO (CANADA) LTD.
Agency—A. McKim Ltd.
MONTREAL COTTONS LTD.
Agency—Cockfield, Brown & Co. Ltd.
MONTREAL INDUSTRIAL & ECONOMIC BUREAU
MONTREAL LIGHT, HEAT & POWER CONSOL.
MONTREAL LOCOMOTIVE WORKS LTD.
Agency—Kenyon & Eckhart Ltd.
MONTREAL TRAMWAYS CO.
MURRAY, ALEXANDER, & CO. LTD.
Agency—A. McKim Ltd.
MUSKOKA WOOD MFG. CO., THE
NASH-KELVINATOR CORPN.
Agency—A. McKim Ltd.
NATIONAL CASH REGISTER CO. OF CANADA LTD.
Agency—Vickers & Benson Ltd.
NATIONAL STEEL CAR CORP. LTD.
NORDBERG MFG. CO. INC.
NORTH BRITISH RUBBER CO. LTD.
Agency—McConnell, Eastman & Co. Ltd.
NORTHERN ELECTRIC CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.
NORTH WESTERN UTILITIES LTD.
Agency—J. J. Gibbons, Ltd.
NOVA SCOTIA LIGHT & POWER CO. LTD.
OFFICE SPECIALTY MFG. CO. LTD.
ONTARIO DEPARTMENT OF HIGHWAYS
ONTARIO HUGHES-OWENS CO. LTD.
Agency—Norris-Patterson Ltd.

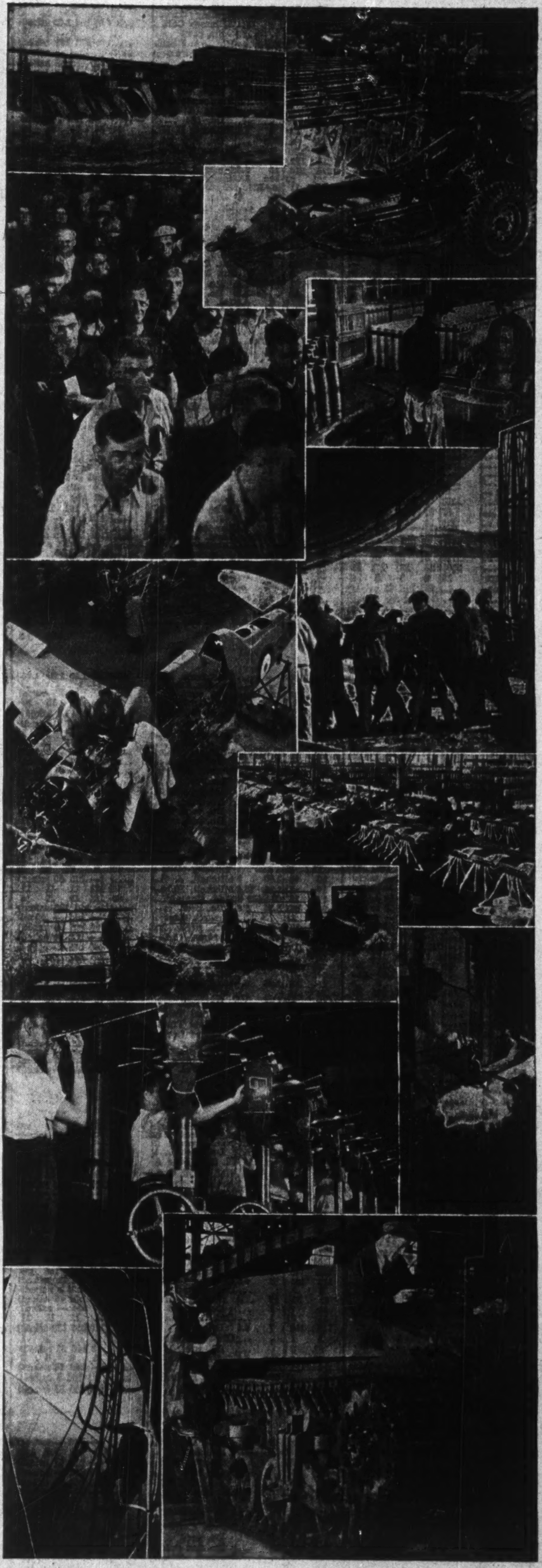
ONTARIO PAPER CO. LTD.
Agency—A. McKim Ltd.
OUTBOARD, MARINE & MANUFACTURING CO. OF CANADA LTD.
Agency—The Ardiel Advertising Agency Ltd.
PAGE-HERSEY TUBES LTD.
Agency—MacLaren Advertising Co. Ltd.
PATTINSON, GEO. & CO. LTD.
PEDLAR PEOPLE LIMITED
Agency—Norris-Patterson Ltd.
PENMAN'S LTD.
Agency—McConnell, Eastman & Co. Ltd.
PHILLIPS ELECTRICAL WORKS LTD.
PIGOTT CONSTRUCTION CO. LTD.
PLESSISVILLE FOUNDRY CO. LTD.
PORT ARTHUR SHIPBUILDING CO. LTD.
PRICE BROS. & CO. LTD.
PROVINCIAL PAPER LTD.
Agency—Ronalds Advertising Agency Ltd.
PROVINCIAL TRANSPORT CO.
Agency—Stevenson & Scott Ltd.
PULP & PAPER INDUSTRY OF CANADA
Agency—Cockfield, Brown & Co. Ltd.
QUEBEC POWER CO.
RCA VICTOR CO. LTD.
Agency—Lord & Thomas of Canada Ltd.
RELIANCE GRAIN CO. LTD.
REMINGTON RAND LTD.
Agency—Lesford Advertising Agency
RENFREW ELECTRIC & REFRIGERATOR CO. LTD.
Agency—Stanfield & Blaikie, Ltd.
RENFREW TEXTILES LTD.
JAMES RICHARDSON & SONS
Agency—Cockfield, Brown & Co. Ltd.
ROBINSON, W. & SON CONVERTERS LTD.
ROLLAND PAPER CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.
ROYAL TYPEWRITER CO. LTD.
Agency—A. McKim Limited
RUSSELL CONSTRUCTION CO. LTD.
SEARLE GRAIN CO.
SHAWINIGAN WATER & POWER CO. LTD.
SHERWIN-WILLIAMS CO. OF CANADA LTD.
Agency—J. J. Gibbons, Limited
SIMON, H., & SONS
Agency—Ronalds Advertising Agency Ltd.
SMITH, L. C., & CORONA TYPEWRITERS OF CAN. LTD.
Agency—The F. H. Hayhurst Co. Ltd.
SPUN ROCK WOOLS LIMITED
Agency—A. McKim Limited
STANDARD TUBE CO. LTD.
Agency—Russell T. Kelley Ltd.
STEEL CO. OF CANADA LTD.
Agency—Cockfield, Brown & Co. Ltd.
Agency—The Ardiel Advertising Agency
STOKES RUBBER CO. LTD., JOSEPH
Agency—Industrial Adv'g. Agency Ltd.
STUDEBAKER CORPORATION OF CANADA LTD.
Agency—Roche, Williams & Cunnyngham Inc.
STURTEVANT CO. OF CANADA LTD., B. F.
Agency—Norris-Patterson Ltd.
SULLY BRASS FOUNDRY LTD.
SUTTON-HORSLEY CO. LTD.
THOMPSON PRODUCTS LTD.
Agency—MacLaren Advertising Co. Ltd.
THORP-HAMBROCK CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.
TIMMS CONSTRUCTION CO. LTD., R.
TORONTO ELEVATORS LTD.
TORONTO ENVELOPE CO. LTD.
TORONTO IRON WORKS LTD.
Agency—Norris-Patterson Ltd.
TRANS-CANADA AIR LINES
Agency—Vickers & Benson Ltd.
TRANS-CANADA TELEPHONE SYSTEM
Agency—A. McKim Limited
TRUSCON STEEL CO. OF CANADA LTD.
Agency—Walsh Advertising Co. Ltd.
TUCKETT TOBACCO CO. LTD., THE
Agency—MacLaren Advertising Co. Ltd.
UNDERWOOD ELLIOTT FISHER LTD.
Agency—J. J. Gibbons, Ltd.
UNION GAS CO. OF CANADA LTD.
Agency—A. McKim Ltd.
UNITED STEEL CORP. LTD.
Agency—Richardson-MacDonald Adv. Service Ltd.
WEATHERHEAD CO. OF CANADA LTD.
WESTON LTD., GEO.
Agency—Richardson-MacDonald Adv. Ser. Ltd.
WHITE PINE BUREAU
WILLIAMS & WILSON LTD.
YATES CONSTRUCTION CO. LTD.
ZELLERS LTD.
ZEPHYR LOOMS & TEXTILES CO. LTD.

The Financial Post has the largest paid circulation of any Canadian business or financial publication—reaching the nation's industrial, business, community and governmental leaders — the "influence group" — in the paper they read best

the Luxury of Silence"!

TODAY, many business executives are re-appraising their policy toward advertising. They see advertising as the great modern method of preventing misunderstanding. Through the persistent taking of the public into one's confidence, advertising builds and maintains goodwill.

No one questions that today's circumstances are far from usual—that in the present grave emergency there are new problems to be faced—that output may be "over-sold"—that the effective use of every dollar is vital.



What then of the advertising dollar?

ONE of the world's leading advertising agency executives, H. A. Batten, President of N. W. Ayer & Son, Inc., wrote in the November 14, 1941 issue of Printers Ink, in part, as follows:—

"Advertising's function is to say something which the management wants to say to a large number of people.

"Advertising is a specialized technique for mass communication — because it is fast and because it costs less than any other method.

"Advertising is a tool of management.

"Any business management which has nothing to say to the public at a time like this is either blind or inexcusably timid.

"No company can afford the luxury of silence.

"Advertising more than any other tool can be used to speed up and to make more effective the democratic process.

"In a democracy, the supreme tragedy is silence."

And, what of your business?

SHOULD you do your magnificent job of contributing to the national effort in silence? Should your peacetime name or your war goods always be unheralded? Should the things you believe in about your company be left unsaid?

ADVERTISING IS A TOOL OF MANAGEMENT. Can you manage without your customers' understanding and confidence, without public goodwill?

Important decisions are being made in Canada today . . . more frequently, more quickly than ever . . . decisions that may have an important bearing on your firm's future.

To be great is to be understood. The Financial Post is the nation's Number One vehicle for your product, institutional or sustaining advertising message. Ask your advertising agency.

To be great is to be understood—The Financial Post carries your message directly to the "Influence Group"

THE FINANCIAL POST

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 20

[illegible]

Mining Stocks

Week Ending December 20

[illegible]

Oil Stocks

[illegible]

Vancouver Stocks

[illegible]

Oil Quotations

[illegible]

* Quotations for 1940.

Winnipeg Stocks

(Transactions from Dec. 15 to Dec. 20)

	Sales	High for period	Low for period	Close Dec. 20
Dominion Envelope, c.	15	8.25	8.25	8.25
Do., pref.	5	99.00	99.00	99.00
Federal Grain, pref.	100	36.00	36.00	36.00
Flin Flon Gold	1,000	.00½	.00½	.00½
United Grain Growers	12	12.00	11.00	11.00
Western Steel Prod.	60	9.25	9.25	9.25

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Grouped Inc.	..	4⅝
Beav. Lumber, p	103	..	Home Invest.	16¼	..
Do., com.	3	3½	Nor. C. Mtge. un	5½	..
Can. Indemnity.	150	..	Nor. Mtg. pt. pd.	1	..
Can. Airways	1	..	Nor. Trusts	7	7½
Corr. P. Box	60	..	Traders Bldg.	44	..
Cres. Cream., p.	..	15	West. Brew.	1¾	2⅛
Fed. Grain, c.	.35	1.25	West. Grain, p.	..	7
Do., pref.	..	38			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 22	7,700	4,700	146,000	......
Dec 20	8,500	4,600	91,000	8,725
Dec. 19	10,200	10,600	176,000	10,650
Dec. 18	10,000	9,000	183,000	17,180
Dec. 17	8,200	4,700	127,000	11,250

Government Bonds

(Supplied by Investment Dealers Assoc. of Canada)

Dec. 23, 1941

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
1½	May '42	100¼	100⅜	...
2	June '42	100½	101	...
3	Oct. '42	101⅝	102⅛	.45
2½	June '43	101¼	102	1.11
5	Oct. '43	105⅝	106⅛	1.53
2	June '44	100⅞	101¼	1.48
a2½	Jan. '44	98½	98⅞‡	2.90
4½	Oct. '44	107	107⅞	1.69
2½	Nov. '44	101⅞	102¼	1.62
a2½	Aug. '45	98	98½‡	2.94
a4	Oct. '45	103⅞	104½	b1.50
2	Mar. '45	100¼	101	1.68
2	Dec. '46	98⅞	99½	2.16
4½	Feb. '46	109	109⅞	2.02
3½	June '49	102⅞	103½	b2.42
3½	Oct. '49	102½	103	b2.40
3½	Nov. '51	101½	102	b2.93
3½	Feb. '52	101½	102¼	3.00
5	May '52	100⅞	‡101½	b1.93
4	Oct. '52	105⅞	106⅞	b2.80
3	June '51	99½	100	3.09
3	Oct. '52	98⅞	99½	3.05
3	June '55	99	99⅞	3.02
4½	Nov. '56	106½	107½	b2.85
4½	Nov. '57	107½	108½	b2.90
3	June '58	99	99⅞	3.02
4½	Nov. '58	108½	109½	b2.97
4½	Nov. '59	100½	110½	b3.00
a4	Oct. '60	104½	105‡	b3.34
a3½	Jan. '61	97½	98‡	3.39
3½	June '66	101½	101⅞	b3.10
a3e	Jan. '67	94½	95‡	3.30
a3e	Nov. '68	94½	95‡	3.28
†3	Perpet'l.	94⅞	95½	3.14

Dominion Guarant'd Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101½	.92
2½	Jan. '46	100½	101½	1.93
3	May '44	102⅞	103½	1.51
3	Dec. '50	99	100	3.00
3	Feb. '53	98½	99½	3.08
3	Jan. '59	98½	99	3.08
*4½	Sept. '51	115½	116½	2.61
*4½	Feb. '56	116½	117½	2.98
4½	July '57	116½	117½	3.07
4½	June '55	118½	119½	2.98
5	Feb. '54	117½	118½	3.16
*5e	July '69	114½	115½	b.73
*5e	Oct. '69	119½	121	b2.60
*5e	Feb. '70	119	121	b2.67

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Approx. Yld.
3	Jan. '62	100⅞	102	2.87

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:				
3	Oct. '51	91	93	3.85
3½	Aug. '49	93½	95½	3.93
3½	June '56	93	95	3.96
c4	Nov. '47	99	102	b3.45
c4½	Apr. '61	103	105	4.12
c5	Jan. '60	109	112	4.05
Nova Scotia:				
3	Jan. '52	95½	97½	3.29
3½	June '56	96	98	3.42
3½	Nov. '50	99½	101½	3.30
c4½	Sept. '52	106	108	b2.97
c4½	Nov. '60	111	113	3.55
c5	Mar. '60	117½	119½	3.54
Ontario:				
2½	May '45	100	101	2.20
3	Apr. '48	99½	100½	b2.88
3	Nov. '50	98½	99½	3.06
3½	Nov. '51	99⅞	100⅞	b3.14
3½	May '55	99⅞	100⅞	b3.17
*4	June '62	108	110½	3.29
*4½	June '51	108	109½	3.22
*4½	Jan. '62	114	117	3.33
5	Oct. '48	110	111	3.07
*5	Dec. '60	120	122	3.42
5½	July '46	109	110½	3.01
Ont. Hydro Commission:				
3	Aug. '48	99½	100½	b2.88
3½	Feb. '53	99½	100½	b3.18
3½	Apr. '47	101½	103	2.89
Prince Edward Island:				
4	Mar. '54	100	102	3.80
Quebec:				
3	Nov. '47	97½	99	3.20
3½	Mar. '48	97½	99½	3.34
3½	Mar. '59	96½	98	[illegible]
4	Nov. '52	101½	103	[illegible]
3½	Feb. '55	99½	101	[illegible]
4½	Aug. '58	103	105	[illegible]
4½	Jan. '63	107½	109½	[illegible]
Alberta:				
4	Dec. '54	58	61	[illegible]
4½	Oct. '51	67	..	[illegible]
4½	Oct. '56	60	63	[illegible]
*5	Oct. '59	63	66	[illegible]
c5½	Apr. '52	65	68	[illegible]
6	Mar. '47	70	73	[illegible]
British Columbia:				
c4	Dec. '57	100	102	[illegible]
*4½	Jan. '51	103½	105½	2.77
c4½	Oct. '53	103½	105½	[illegible]
c5	Apr. '54	109	111	[illegible]
5½	Feb. '45	104	105½	[illegible]
6	Feb. '47	106	107½	[illegible]
Manitoba:				
c4	Dec. '57	94	96	[illegible]
c4½	Dec. '56	97	99	[illegible]
*5	Dec. '59	98	101	[illegible]
5½	Oct. '55	99½	101½	[illegible]
6	Apr. '47	101	103	[illegible]
Saskatchewan:				
4	Sept. '54	76	79	[illegible]
4	Nov. '60	76	79	[illegible]
c4½	Oct. '51	87	[illegible]	[illegible]
c4½	Mar. '60	83	86	[illegible]
5	Aug. '58	87	90	[illegible]
5½	Oct. '52	91	93	[illegible]
6	Mar. '52	93½	95½	[illegible]

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ♦Calculated to 1950 average maturity.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 23, 1941

[illegible]

Unlisted Mines

Toronto, Dec. 23, 1941

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Dec. 23, 1941

[illegible]

Supplementary Stock Quotations

Dec. 23, 1941

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

[illegible]

Corporation Bonds (Cont'd)

[illegible]

*Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
*Payable in U.S.
♦Payable in Canada only.
▲Payable in Can. or U.K.
‡Traded without accrued interest.

Municipal Bonds

Dec. 23, 1941

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	114.00	116.00	3.83
Hamilton	5	1950	109.25	112.25	3.35
Montreal	5	1945	92.00	94.00	7.18
Ottawa	4½	1945	104.65	107.15	2.50
†Quebec	5	1959	106.00	108.00	4.35
Saint John	5	1950	103.00	105.00	4.22
†Toronto	4½	1955	110.00	113.50	3.25
†Vancouver	5	1950	103.00	107.00	3.98
Winnipeg	5	1944	102.00	104.00	3.81

†Payable Can. & N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.00	2.15
Can. Amer. Trust	3.00	3.35
Can. Inter. Trust	3.75	4.50
Can. Invest. Fund	3.00	3.35
Corporate Investors	5.61	6.05
Trans-Canada	9.30	10.15

Annual Meetings

Company	Place
1941	
Dec. 27—Pandora Cad. Gold	New Liskeard
Dec. 30—City Gas & Elec.	Montreal
Dec. 30—Turner Valley Oil	Calgary
1942	
Jan. 5—Honey Dew	Toronto
Jan. 8—Banque Can. Nationale	Montreal
Jan. 12—Canada Dry*	Jersey City
Jan. 15—Manufacturers Life	Toronto
Jan. 21—Bank of Toronto	Toronto
Jan. 21—Kelvinator of Can.	London, Ont.
Feb. 4—Bank of Nova Scotia	Halifax

*Special and annual.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, p.	$1.75	Jan. 2	Dec. 15
Algoma Steel, pf.	$2.50	Jan 1	Dec. 15
Asbestos Corp.	15c	Dec. 31	Dec. 1
Do., bonus	15c	Dec. 31	Dec. 1
Amer. Cyan., A, B	†15c	Jan. 2	Dec. 12
Do., pref.	†12½c	Jan. 2	Dec. 12
Amal. Elec.	25c	Jan. 2	Dec. 15
Argus Interests	4c	Jan. 22	Jan. 3
Assoc. Brew., pref.	$1.75	Jan. 2	Dec. 15
Acme Glove, pfd.	$3.25	Jan. 2	Dec. 18
Barber-Ellis	*10c	Dec. 15	Nov. 29
Do.	10c	Jan. 15	Dec. 31
Do., pref.	*$1.75	Jan. 15	Dec. 31
Bathurst P & P., A	25c	Mar. 2	Feb. 13
Bk. of Nova Scotia	$3	Jan. 2	Dec. 16
Biltmore Hats	15c	Jan. 15	Dec. 31
Beatty Bros., 2nd p.	$3.50	Jan. 2	Dec. 15
Bell Telephone	$2	Jan. 15	*Dec. 23
Blue Top Brew., A	30c	Dec. 31	Dec. 15
B. C. Power, A	50c	Jan. 15	Dec. 31
Brazilian Tr., pfd.	$1.50	Jan. 2	Dec. 15
B. C. Elec. Pr. Gas p	$1.50	Jan. 2	Dec. 20
Burlington Steel	15c	Jan. 2	Dec. 15
Belding-Cort.	$1	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
B. A. Oil	25c	Jan. 2	Dec. 8
Bralorne Mines	20c	Jan. 15	Dec. 31
Do., extra	10c	Jan. 15	Dec. 31
Brant. Cordage 1st p	32½c	Jan. 15	Dec. 20
Brit. Mtge. & Tr.	$4	Jan. 2	Dec. 15
Brockville Trust	62½c	Jan. 2	Dec. 20
Do., extra	37½c	Jan. 2	Dec. 20
Building Prod.	17½c	Jan. 2	Dec. 19
Do., extra	10c	Jan. 2	Dec. 19
B. C. Telephone, pf.	$1.50	Jan. 1	Dec. 17
Do., 2nd pref.	$1.50	Feb. 1	Jan. 17
Canada Bread, pfd.	$1.50	Jan. 2	Dec. 22
Do. 2nd pref.	62½c	Jan. 2	Dec. 22
Can. Light & Pr.	50c	Jan. 15	Dec. 26
Canadian Car, p.	44c	Jan. 10	Dec. 20
Can. Pac. Rly. pfd.	2%	Feb. 1	Jan. 1
Chartered Trust	$1	Jan. 2	Dec. 15
Consumers' Gas	$2	Jan. 2	Dec. 15
Carnation Co., pfd.	†$1.25	Jan. 2	Dec. 13
Canada Cycle	30c	Jan. 2	Dec. 10
Do., extra	20c	Jan. 2	Dec. 10
Do., pref.	$1.25	Dec. 26	Dec. 10
Canada Life	$5	Jan. 2	Dec. 31
Can. Bronze	37½c	Feb. 2	Jan. 9
Do., extra	50c	Feb. 2	Jan. 9
Do., pref.	$1.25	Feb. 2	Jan. 9
Can. Fairbnaks, pf.	$1.50	Jan. 15	Dec. 31
Can. & For. Secs.	6c	Feb. 2	Jan. 16
Can. Gen. Invest.	12½c	Jan. 15	Dec. 31
Can. Silk Prod., A	37½c	Jan. 2	Dec. 15
Can. Nor. Pwr.	▪15c	Jan. 26	Dec. 31
Do., pref.	▪$1.75	Jan. 15	Dec. 31
Can. Wire. Box, A	37½c	Jan. 2	Dec. 15
Do., extra	12½c	Jan. 2	Dec. 15
Can. Celanese	25c	Dec. 31	Dec. 16
Do., extra	50c	Dec. 31	Dec. 16
Do., pref.	$1.75	Dec. 31	Dec. 16
Can. Bakeries, pfd.	$2.50	Jan. 15	Jan. 3
Canadian Oil, pfd.	$2	Jan. 2	Dec. 20
Can. Indust., A, B	$1.50	Dec. 26	Dec. 19
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. Tube & Steel, p.	$2	Dec. 31	Dec. 24
Command Oils	2c	Jan. 30	Jan. 10
Can. West'ghouse	▪50c	Jan. 1	Dec. 16
Canadian Fire	$2	Jan. 2	Dec. 20
Can. Indemnity	$3	Jan. 2	Dec. 20
Do., extra	$2	Jan. 2	Dec. 20
Canada Packers	$1	Jan. 2	Dec. 15
Can. Perm. Mtge.	$2	Jan. 2	Dec. 15
Can. South. Rly.	$1.50	Feb. 2	Dec. 22
Can. Bk. of Comm.	$2	Feb. 2	Dec. 31
Can. Breweries, p.	75c	Jan. 2	Dec. 15
Can. Gen. Elec.	$2	Jan. 2	Dec. 13
Can. For. Inv., pfd.	$2	Jan. 1	Nov. 15
Cariboo Gold	4c	Jan. 2	Dec. 3
Do., bonus	1c	Jan. 2	Dec. 3
Cel. of Amer. pfd.	†$1.75	Jan. 1	Dec. 16
Do., part. pfd.	†$3.50	Dec. 31	Dec. 16
Cent. Pat. Gold	4c+1c	Jan. 2	Dec. 15
Chesterville L. L.	5c	Dec. 30	Dec. 15
Cockshutt Plow	25c	June 18	June 4
Comm. Alcohols, p.	10c	Jan. 15	Dec. 31
Can. Cr. Stone	10c	Dec. 31	Dec. 15
Confederation Life	$1.50	Dec. 31	Dec. 25
Cons. Bakeries	15c	Jan. 2	Dec. 18
Can. Cottons	$1	Jan. 2	Dec. 1
Do., pref.	$1.50	Jan. 2	Dec. 1
Can. Canners	12½c	Jan. 2	Dec. 15
Do., 1st pref.	25c	Jan. 2	Dec. 15
Do., participating	5c	Jan. 2	Dec. 15
Do., 2nd pref.	15c	Jan. 2	Dec. 15
Do., participating	5c	Jan. 2	Dec. 15
Can. Converters	50c	Jan. 31	Dec. 31
Chartered Trusts	$1	Jan. 2	Dec. 15
Cons. Smelters	50c	Dec. 31	Dec. 3
Do., bonus	75c	Dec. 31	Dec. 3
Celanese of Am., c.	†50c	Dec. 31	Dec. 19
Cel. of Am., pr. pf.	†$1.25	Jan. 1	Dec. 26
Central Can. Loan	$2	Jan. 2	Dec. 20
Crown Life	3%	Jan. 2	Dec. 31
Crown Trust	$1	Dec. 31	Dec. 24
Can. Amer. Tr., 2nd	7c	Dec. 31	coup. 23
Davies Pete.	1c	Jan. 20	Jan. 5
Dominion Fire	$3	Jan. 2	Dec. 31
Dominion Tar, pf.	$1.37½	Feb. 2	Jan. 16
de Havilland Air., p.	$7	Dec. 29	Dec. 16
Dominion Bank	$2.50	Feb. 2	Jan. 15
Detroit Int. Bridge, c	†25c	Jan. 24	Jan. 3
Dunlop Tire, pref.	62½c	Dec. 31	Dec. 15
David & Frere, A	25c	Dec. 31	Dec. 15
Delnite Mines	3c	Dec. 30	Dec. 8
Dom. Woollens, pfd.	60c	Jan. 2	Dec. 15
Dom. Foundries, c.	25c	Jan. 2	Dec. 20
Do., extra	25c	Jan. 2	Dec. 20
Dome Mines	▪50c	Jan. 20	Dec. 31
Dom. Glass	▪$1.25	Jan. 2	Dec. 15
Do., pref.	▪$1.75	Jan. 2	Dec. 15
Dom. Textiles	$1.25	Jan. 2	Dec. 1
Do., pref.	$1.75	Jan. 15	Dec. 15
East. Can. Savings	$2.50	Jan. 2	Dec. 20
East. Steel, c.	$1	Feb. 2	Jan. 15
Do.	25c	Mar. 2	Feb. 16
Eastern Steel, pfd.	25c	Jan. 1	Dec. 15
Eastern Trust	$2	Jan. 2	Dec. 20
Excelsior Life*	4%	Jan. 2	Dec. 31
Easy Washing, pf.	17½c	Jan. 2	Dec. 22
Ensign Ins.	$1.50	Jan. 2	Dec. 31
Federated Pete.	1c	Dec. 30	Dec. 15
Famous Players	25c	Dec. 27	Dec. 13
Foundation Co.	25c	Jan. 20	Dec. 31
Do., extra	25c	Jan. 20	Dec. 31
Four Star Pete.	1c	Dec. 30	Dec. 15
Gould Pumps, pfd.	†$2	Dec. 29	Dec. 18
Gatineau Pwr.	15c	Dec. 31	Dec. 1
Do., 5% pref.	$1.25	Jan. 1	Dec. 1
Do., 5½% pref.	$1.38	Jan. 1	Dec. 1
Gt. Lakes P. A, B, p	75c	Dec. 31	Dec. 20
Greening Wire	15c	Jan. 2	Dec. 15
Gt. Lakes Power, p.	$1.75	Jan. 15	Dec. 31
Guar. of N. Amer.	$1.50	Jan. 15	Dec. 31
Do., extra	$2.50	Jan. 15	Dec. 31
Gen. Stl. Wares, c.	°50c	Dec. 29	Dec. 18
Goderich Elev.	50c	Jan. 2	Dec. 15
Gt. West Saddlery, p.	75c	Dec. 31	Dec. 23
Do., 2nd pref.	75c	Dec. 31	Dec. 23
Guelph & Ont. Inv.	$1.50	Jan. 2	Dec. 20
Guelph Trust	$1.25	Jan. 2	Dec. 20
Goodyear Tire	63c	Jan. 2	Dec. 15
Do., extra	$2.50	Jan. 2	Dec. 15
Do., pref.	62½c	Jan. 2	Dec. 15
Gt.-West Life	$3.75	Jan. 2	Dec. 20
Harding Carpets	10c	Jan. 2	Dec. 17
Do., extra	5c	Jan. 2	Dec. 17
Hart Battery	25c	Dec. 31	Nov. 29
Ham. Un. Theat., p.	$1.25	Dec. 31	Dec. 15
Huron & E. Mtg.	1%	Jan. 2	Dec. 15
Hamilton Cotton	50c	Jan. 2	Dec. 15
Do., arrears	$1.75	Jan. 2	Dec. 15
H. Smith Pap., pfd.	$1.50	Jan. 15	Dec. 31
Honey Dew	50c	Jan. 2	Dec. 13
Hollinger Cons.	5c	Dec. 31	Dec. 16
Do., extra	5c	Dec. 31	Dec. 16
Inter. Paper, pref.	†$1.25	Dec. 29	Dec. 19
Inter. Nickel, c.	†50c	Dec. 31	Dec. 1
Inter. Nickel, pref.	†$1.75	Feb. 2	Jan. 3
Invest. Found. pref.	75c	Jan. 15	Dec. 31
Intercol. Coal	$3	Jan. 2	Dec. 20
Do., pref.	$4	Jan. 2	Dec. 20
Inter. Mining	†10c	Dec. 27	Dec. 19
Inter. Paints, pfd.	$1	Jan. 12	Dec. 12
Do., arrears	25c	Jan. 12	Dec. 12
Inter. Power, pfd.	$1.75	Jan. 2	Dec. 10
Do., arrears	$1.25	Dec. 29	Dec. 10
Indust. Accept., A	25c	Dec. 31	Dec. 24
Do., pref.	$1.25	Dec. 31	Dec. 24
Imperial Tob., ord.	10c	Dec. 31	Dec. 5
Indust. Mtge. & Tr.	$1	Jan. 2	Dec. 15
Imperial Bank	$2.50	Feb. 2	Dec. 31
Inter. Bronze	▪37½c	Jan. 15	Jan. 3
Do., pref.	▪37½c	Jan. 15	Jan. 3
Jam. Pub. Service	17c	Jan. 2	Dec. 23
Do., pref.	$1.75	Jan. 2	Dec. 23
Jason Mines	2c	Dec. 30	Dec. 20
Kerr Addison	8c	Dec. 29	Dec. 6
Lake Dufault M.	°2c	Jan. 20	Jan. 2
Loew's, Marcus, p.	$1.75	Dec. 31	Dec. 20
Do., arrears	‡$1.75	Dec. 31	Dec. 20
Landed Banking	$1	Jan. 2	Dec. 15
Lang, J. A.	17½c	Jan. 2	Dec. 15
Lamaque Gold	▪10c+5c	Feb. 2	Jan. 9
Levy Bros.	30c	Dec. 29	Dec. 19
Lambton Loan	$1	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Lambton Trust	$2	Dec. 31	Dec. 15
Manufacturers Life	$6	Jan. 2	Dec. 26
McColl-Front., pfd.	$1.50	Jan. 15	Dec. 31
McGillivray Creek	2c	Dec. 24	Dec. 20
Moneta Porc.	▪2c	Jan. 15	Dec. 31
Monarch Life	6%	Jan. 2	Dec. 15
Modern Containers	20c	Jan. 2	Dec. 20
Do., extra	10c	Jan. 2	Dec. 20
Do., pref.	$1.37½	Jan. 2	Dec. 20
McLeod Bldg.	$1.50	Dec. 15	Dec. 10
Mtl. C. & D. Bank.	$3	Jan. 2	Dec. 15
Do., extra	$1	Jan. 2	Dec. 15
Midland Loan	40c	Jan. 2	Dec. 15
Montreal L. H & Pr.	38c	Jan. 31	Dec. 31
Murphy Paint	20c	Jan. 1	Dec. 22
Do., pref.	$1.37½	Jan. 1	Dec. 22
McManus Pete.	30c	Jan. 3	Dec. 26
Do., pref.	30c	Jan. 3	Dec. 26
McColl-Fron., pfd.	$1.50	Jan. 15	Dec. 31
McIntyre Porc., ex.	$1.11	Jan. 2	Nov. 1
Moore Corp.	55½c	Jan. 2	Dec. 4
Do., bonus	66½c	Jan. 2	Dec. 4
Do., pref. A, B	$1.75	Jan. 2	Dec. 4
Montreal Tele.	43c	Jan. 15	Dec. 31
Maritime Tel.	20c	Jan. 15	Dec. 20
Do., extra	2½c	Jan. 15	Dec. 20
Do., pref.	17½c	Jan. 15	Dec. 20

Mining Dividends

	Rate	Dec. 20	Yield %
Anglo-Huronian	▴10c	2.56	..
Argus Interests	†4c	.35	..
Aunor Gold	16c	1.45	11.0
Beattie Gold	16c	.95	16.8
Berens River	†3c	1.00	..
Bralorne	80c+40c	9.25	*12.9
Broulan Porc.	12c	.59	20.3
Buffalo Ankerite	▴30c	2.80	..
Bulolo Gold	$3	10.25	..
Can. Malartic	8c	.44	18.2
Cariboo Gold	16c+8c	1.75	*13.7
Central Patricia	16c+6c	1.43	*15.3
Chesterville	15c	1.45	..
Cochenour Willans	6c	.51	11.8
Coniagas	▴17½c	1.25	..
Coniaurum	16c	.92½	17.3
Cons. Smelters	$1+$1.50	37.50	6.7
Delnite	▴6c	.65	..
Dome Mines	$2	16.00	12.5
East Malartic	▴20c	1.93	..
Falconbridge	20c	3.00	..
Francoeur Gold	▴4c	.33	..
Gold Belt	▴2c	.18	..
Grandview	▴1½c	.15½	..
Hallnor	60c	2.50	24
Hard Rock	▴8c	.45½	..
Hedley Mascot	8c	.35	22.8
Hollinger	65c+45c	10.25	*10.7
Howey Gold	▴4c	.18½	..
Hudson Bay	$2	27.50	7.3
Inspiration	†2c	.29	..
Inter. Nickel. com.	$2	32.00	6.2
Island Mountain	▴18c	1.10	..
Jason	4c	.30	..
Kerr-Addison	▴35c	4.00	..
Kerr Lake	5c	.22	..
Kirkland Lake	10c+1c	.55	*20
Kootenay Belle	▴8c	.21	..
Lamaque Gold	40c+15c	4.05	*13.6
Lake Shore	$1.40	11.25	12.4
Leitch	8c	.40½	19.7
Little Long Lac	▴20c	1.30	..
Macassa	32c+3c	2.85	12.3
Madsen R. Lake	▴3c	.49	..
Malartic Gold	10c	2.10	..
McGillivray Coal	2c	.22½	..
McKenzie Red L.	12c	.95	12.6
Moneta	8c	.27	..
McIntyre-Porc.	$2.22+$1.11	44.50	*7.5
MacLeod-Cockshutt	10c	1.65	..
Naybob Gold	4c	.20	..
Negus	7½c	.45	..
Nipissing	15c	.90	16.6
Noranda	$4	47.00	8.5
North Empire	▴40c	3.75	..
O'Brien Gold	10c	.80	..
Pamour Porc.	18c	.85½	21
Pato Cons.	20c+2c	3.00	*7.3
Pend Oreille	†6c	1.46	..
Perron Gold	16c+9c	1.32	*18.9
Pioneer, B. C.	40c	2.05	19.5
Pickle Crow	40c	2.35	17
Placer Develop.	$1.20	9.00	13.3
Premier	11c	.52	21.2
Preston E. Dome	20c+10c	2.90	*10.3
Privateer Mines	12c+4c	.46	..
Quebec Gold	2c	.30	..
San Antonio	14c+6c	1.95	*10.2
Sheep Creek	16c+1c	.88	*19.3
Sherritt Gordon	10c	.85	..
Sigma Mines	▴30c	6.50	..
Silbak Premier	16c	.74	21.6
Siscoe	▴8½c	.50	..
Sturgeon River	4c	.11½	..
Sudbury Basin	▴5c	1.35	..
Sullivan Cons.	▴8c	.61	..
Surf Inlet	▴2c	.07½	..
Sylvanite Gold	28c	1.90	14.7
Teck-Hughes	40c	2.15	18.6
Toburn	12c+6c	1.10	*16.3
Upper Canada	▴14c	1.04	..
Ventures	▴20c	3.55	..
Waite Amulet	40c	4.20	..
Wendigo	3c	.11	..
Wright-Harg.	40c+20c	2.55	*23.5
Ymir Yankee	2c	.03½	..

▴Paid in 1941. *Yield including bonus. †Initial.

Dividends Declared (Cont'd)

Nat. Breweries	50c	Jan. 2	Dec. 10
Do., pref.	43c	Jan. 2	Dec. 10
N. S. Light & Pr., o.	$1.50	Jan. 2	Dec. 15
Nat. Grocers, pfd.	38c	Jan. 2	Dec. 15
Nat. Steel Car	50c	Jan. 15	Dec. 31
North Star Oil, p.	8¾c	Jan. 2	Dec. 10
National Trust	$2	Jan. 2	Dec. 20
New Eng. Power, p.	†$1	Jan. 2	Dec. 20
Do., $2 pref.	†33⅓c	Jan. 2	Dec. 20
Niag. Wire Weav.	50c	Jan. 2	Dec. 16
Ogilvie Flour, c.	25c	Jan. 2	Dec. 17
Ontario Loan	$1.25	Jan. 2	Dec. 15
Ottawa Elec. Rly.	30c	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Ottawa L. & Pr.	15c	Jan. 2	Nov. 25
Do., pref.	$1.25	Jan. 2	Nov. 25
Power Corp.	▪15c	Feb. 2	Dec. 31
Do., pref.	▪$1.50	Jan. 15	Dec. 31
Do., 2nd pref.	▪75c	Jan. 15	Dec. 31
Price Bros., pfd.	$1.37½	Jan. 2	Dec. 20
Page-Hersey	$1.25	Jan. 2	Dec. 15
Pickle Crow	10c	Dec. 31	Dec. 15
Porto Rico Pwr., pf.	$1.75	Jan. 2	Dec. 18
Proprietary Mines	8c	Dec. 30	Dec. 16
Pioneer Gold	10c	Jan. 2	Nov. 29
Preston E. Dome	5c	Jan. 15	Dec. 31
Para. Pictures	†25c	Dec. 27	Dec. 11
Do., 1st pref.	†$1.50	Dec. 27	Dec. 12
Do., 2nd pref.	†15c	Dec. 27	Dec. 12
Premier Gold	2c	Jan. 15	Dec. 15
Pato Cons. Gold	10c	Jan. 10	Dec. 20
Premier Trust	$1.50	Dec. 31	Dec. 20
Prov. Paper, pref.	$1.75	Jan. 2	Dec. 15
Quebec Power	25c	Feb. 25	Jan. 26
Remington Rand	†25c	Jan. 2	Dec. 10
Do., pref.	†$1.12½	Jan. 2	Dec. 10
Real Est. Loan	$1	Jan. 2	Dec. 17
Robin. J. & Whit, p.	$3	Jan. 2	Dec. 15
R. S. Mills, A	50c	Jan. 2	Dec. 13
St. J. Drydock, p.	$1.37½	Jan. 2	Dec. 24
Sangamo	▪25c	Dec. 26	Dec. 22
Sterling Trusts	$1.50	Jan. 2	Dec. 20
Supertest Pet. c. ord.	50c	Jan. 2	Dec. 12
Do., extra	25c	Jan. 2	Dec. 12
Do., B pref.	75c	Jan. 2	Dec. 12
Sheep Creek Gold	4c	Jan. 15	Dec. 31
Do., extra	1c	Jan. 15	Dec. 31
Sigma Mines	30c	Jan. 15	Dec. 31
St. Law. Corp., A p.	▪25c	Jan. 15	Jan. 2
South. Can. Pwr.	20c	Feb. 16	Jan. 31
Do., pref.	$1.50	Jan. 15	Dec. 20
St. Law. Paper, pfd.	▪75c	Jan. 15	Jan. 2
Securities Hold., pf.	65c	Jan. 2	Dec. 19
Stedman Bros.	15c	Jan. 2	Dec. 20
Do., pref.	75c	Jan. 2	Dec. 20
Sun Life Assur.	$3.75	Jan. 1	Dec. 16
Supersilk Hos., pfd.	$2.50	Jan. 2	Dec. 12
Sylvanite Gold	7c	Dec. 27	Nov. 8
Shawinigan W.	23c	Feb. 25	Jan. 26
Steel of Can.	75c	Feb. 2	Jan. 7
Do., pref.	75c	Feb. 2	Jan. 7
Sher.-Williams, c.	15c	Feb. 2	Jan. 15
Sher. Williams, pf.	$1.75	Jan. 2	Dec. 15
Sudbury Basin M.	2½c	Dec. 30	Dec. 15
Stand. Radio, A, B	10c	Jan. 10	Dec. 31
Stand. Chemical	50c	Jan. 31	Dec. 31
Stand. Fuel, pfd.	$1	Jan. 1	Dec. 15
Thayers, pref.	$3.50	Jan. 1	Dec. 20
Tor. Gen. Trusts	$1	Jan. 2	Dec. 13
Tip Top Tailors	15c	Jan. 2	Dec. 20
Do., pref.	$1.75	Jan. 2	Dec. 20
Traders Fin., A rts.	$1	Jan. 2	Dec. 15
Do., B rights	$1	Jan. 2	Dec. 15
Do., pref.	$1.50	Jan. 2	Dec. 15
Teck-Hughes	▪10c	Feb. 2	Jan 9
Toronto Mortgage	$1.25	Jan. 2	Dec. 15
Tamblyn	20c	Jan. 2	Dec. 15
Do., pref.	62½c	Jan. 2	Dec. 12
Tor. Elevators, c.	$1	Jan. 15	Jan. 2
Trusts & Guar.	$1	Jan. 2	Dec. 19
Tuckett Tob., pfd.	$1.75	Jan. 15	Dec. 31
Un. Gold Eq. st. c.	6c	Dec. 30	Dec. 19
Un. Bond & Share	15c	Jan. 15	Dec. 30
United Fuel, p. A	75c	Jan. 2	Dec. 20
Ventures	▪10c	Dec. 30	Dec. 10
Viau, pref.	$1.25	Jan. 2	Dec. 20
Vulcan Br. Pet.	2c	Dec. 30	Dec. 15
Western Assur., pf.	$1.20	Jan. 2	Dec. 31
Wabasso Cotton	50c	Jan. 2	Dec. 20
Do., extra	50c	Jan. 2	Dec. 20
West Koot. Pr., pfd.	$1.75	Dec. 31	Dec. 15
West. Grocers	75c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Weston, Geo., c.	20c	Jan. 2	Dec. 12
Do., pref.	$1.25	Feb. 2	Jan. 15
Wilsils	25c	Jan. 2	Dec. 15
Wood, A. J., p.	$1.75	Feb. 1	Jan. 15
Wr.-Hargreaves	10c	Jan. 2	Nov. 26
Do., extra	5c	Jan. 2	Nov. 26

†Payable in U. S. funds
▪Subject to approval of Foreign Exchange Control Board. °Initial.
*Increased to 40% paid along with this payment.

DIVIDEND NOTICES

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 2nd, 1942, to shareholders of record as at close of business December 15th, 1941, in Canadian Funds.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ontario.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd January, 1942,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

4th December, 1941.

Editors Endorse Broader Government

(Continued from page 13)

ciently than in how it is done or who does it. There would be widespread satisfaction if the government would set up a non-partisan national war council composed of leading statesmen, civil servants and civilians of proved judgment and capacity in the world of practical ideas and action and give prompt effect to the decisions of this body.

The national interest might well be served in this way better than by union government which, like boarding house hash, is a mingling of many shortcomings and few virtues designed rather to satisfy the necessities of political kitchens than the yearnings of the boarders.

* * *

YORKTON ENTERPRISE, S. N. Wynn.

National government for Canada is two years overdue. Had Canada followed Britain's example when war was declared, we would now have uniform system of compulsory selective service and be pulling our full weight to prevent the totalitarian pattern of universal slavery.

* * *

VANCOUVER SUN, P. J. Salter.

If we in Canada were starting from scratch, and could design and produce a government that could best serve us, I would certainly favor the designing of a union government. But today we have in office a government which is at least doing as well as any other democratic government anywhere. It is admitted to be a Liberal party government, but there are so many adherents of all classes of people that it is today larger than a party government. If you in Toronto and we in Vancouver sat down to form a new government, where would we start? In trying to substitute another government for the present one, we would encounter a period of tremendous uncertainty and confusion and there is no assurance we would have anything better in the end. As a practical proposition, we had better get behind the setup we have at Ottawa, improving it and strengthening it, but preserving the backbone of administration available there now.

* * *

WINNIPEG TRIBUNE, W. McCurdy.

My attitude cannot be better expressed than by the following extract from a Tribune editorial on July 15, 1941. "For a long while the way has been open to Mr. King to secure united national support for a total war effort. It has been open to him to form a national government as was done by Winston Churchill. If Mr. King were to form a truly national government and appeal for an all-out effort, including conscription, can anyone doubt that Canadians would respond?"

* * *

MACLEOD GAZETTE, Mr. Halliwell.

As all classes of people have to bear their share of the war effort I believe the government should be representative of every class, regardless of party affiliations. We must have united effort and this can only be accomplished if all people know they are represented in national government, particularly the workers who will be called on to increase their productive effort.

* * *

KIRKLAND LAKE NORTHERN NEWS, W. M. Arnott.

The times demand the setting aside of political differences. Any move to create a strong national government devoted to one cause only, the winning of the present conflict, is something all loyal Canadians should work for.

* * *

REGINA LEADER-POST, D. B. Rogers.

I believe the present cabinet requires strengthening but do not yet favor formation of a union government of the type suggested.

* * *

OTTAWA CITIZEN, C. A. Bowman,

Yes, the Citizen favors a supreme war cabinet with party limitations eliminated to carry out a policy of "compulsory selective service over the whole field of war" as proposed by Right Hon. Arthur Meighen; also to work for single strategy of English-speaking democracies under a unified command as advocated by Hon. W. D. Herridge. The Citizen has urged this total war policy since 1939.

* * *

FERGUS NEWS RECORD, Hugh Templin.

I have recently returned from months spent in Britain and feel Canadians must do more and will do so, if they are awakened to the need. I remember the last union government and don't want another.

* * *

HARTLAND, N.B., OBSERVER, Charles R. Allen

It is my belief that, if Canada is to obtain the total war effort now so evident in Britain, this country must have a government truly representative of all elements in our national life. A party government, no matter how able, cannot command the united support needed to cope with a crisis such as is now upon us.

* * *

NEW GLASGOW EASTERN CHRONICLE, Don. F. Fraser.

Recollection of union government during previous world war causes one rather to shrink from a second such experiment.

We have confidence that the present administration, unquestionably composed of able and honest Canadians, is fulfilling every possible requirement for the vigorous prosecution of Canada's war effort. From anything I have been able to observe or read, there has not been made plain to me the urgency of placing the war problems in the hands of green men entirely inexperienced in such vital situations.

I am content to leave to the superior judgment of the Prime Minister and his associates the necessity of dividing direction of the stupendous war tasks with clamouring Conservatives, C. C. F.'ers or Social Crediters, simply because they are such. If such contenders for office were as anxious for Canada's success as they are for self or party preferment, they would step into the picture instead of sulking in their rents, while public journals supporting them wage a campaign of sabotage, destructive to the best interests of Canada's sons and daughters who are serving her so valiantly regardless of political alliance.

* * *

LEAMINGTON POST & NEWS, Philip H. Fader,

The Leamington Post and News strongly favors union government for Canada under present conditions. This seems to be the general consensus in this district. In unity there is strength and that certainly is what Canada needs today.

* * *

TRURO WEEKLY NEWS, A. R. Coffin.

I am genuinely in favor of a union government. As that seems impossible without an election I would urge that a number of men of other political faiths be taken into the Liberal government of Canada on an independent, equal footing. I would insist that each such man should be of high character with years of experience and who has made a success of his own business, be it large or small. In the last election our daily and weekly newspapers all campaigned for a national government. In spite of Mr. King's Mandate, I am confident the times call for the advice and help of direct representatives in the government of the large minority of people throughout the country who did not vote Liberal.

* * *

GRANBY, Walter L. Egge, president, Canadian Weekly Newspapers Association.

I feel that changes at the present time in the directorate of our war effort should be kept to a minimum and should only be made when gross incompetence is shown. I am convinced that the present government is making a sincere effort and it is doubtful if a change could result in any improvement. If all political parties were to be included, considerable confusion would certainly result.

* * *

VANCOUVER PROVINCE, M. E. Nichols.

Certainly, we favor union government under present conditions. A party government in wartime is an anomaly. An all-out war effort on the part of the people can only be fairly demanded when our political leaders show an all-out willingness to submerge party differences and unite in the dominant national purpose of winning the war. A union government under present conditions would be the best possible answer to the grave dangers which now have to be met in the Pacific.

* * *

BOWMANVILLE CANADIAN STATESMAN, George W. James.

As far back as July, 1940, the Canadian Statesman editorially called for a national government of Canada's able men, representative of all sections and interests, with agriculture as a key war industry. We have repeatedly called for precisely that kind of government, coupled with conscription in its fullest sense. I have not, and cannot, alter these convictions. Under present conditions, the need is most immediately and imperatively necessary. Party politics completely closes the door to a loyal and sympathetic co-operation toward the type of government necessary for an all-out war effort. Therefore, let's banish party politics and get on with winning the war.

* * *

KELOWNA COURIER, R. P. Maclean, publisher.

Recent events in B. C. political circles definitely indicate the people of this province look with favor upon coalition governments for the duration of the war. Vancouver civic elections last week also seem to indicate that the public looks with disfavor on any party playing party politics. The C.C.F. refused to join coalition provincial government after making extensive gains in Vancouver City and a month later was unable to elect a single C.C.F. candidate in city elections while non-partisan candidates swept the board. The King government has apparently made a fairly successful job with the war effort but nevertheless it has certain glaring defects and there are several very definite problems to be settled which are too big for one party to undertake. While normally opposed to so-called union, or national, governments, I believe that a coalition government at Ottawa during wartime is essential and would lead to greater confidence on the part of the general public, less political jockeying and a more effective war effort generally.

* * *

WINDSOR DAILY STAR, H. A. Graybiel.

Canada's war effort should undoubtedly not be restricted by party limitations, but there is, in my opinion, little basis today for the charge that the government is making this a "One Party" war. While the Cabinet is predominantly Liberal, the most recent appointment demonstrates the Prime Minister's sincere desire to obtain representation of all classes, irrespective of party affiliation. Appointments to senior positions in the various boards directing economy and production also display a lack of regard for politics.

I would hesitate to give support to any move for "National" government in any such vague or general terms. Too often such coalitions are formed with the one aim of giving a certain proportion of representation to each party, and are thus essentially political in character. Wouldn't it be a good idea for all Canadians to forget politics and get on with the war?

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 220

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st January, 1942, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd February next, to shareholders of record at the close of business on the 31st December, 1941. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.

Toronto, 12th December, 1941.

The Dominion Bank

Dividend No. 237

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st January, 1942. The dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the 2nd day of February, 1942, to shareholders of record of the 15th January, 1942.

By Order of the Board.
ROBERT RAE,
General Manager.

Toronto, 11th December, 1941.

Imperial Bank of Canada

DIVIDEND NO. 206

Notice is hereby given that a Dividend of two and one-half per cent (2½%) has been declared for the quarter ending 31st January, 1942, payable at the Head Office and Branches on and after Monday, the 2nd day of February next, to shareholders of record of 31st December, 1941.

H. T. JAFFRAY,
General Manager.

Toronto, 10th December, 1941.

The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of twenty-three (23c) cents per share has been declared on the no par value common shares of the Company for the quarter ending December 31, 1941, payable February 25, 1942, to shareholders of record January 26, 1942.

By Order of the Board,
H. G. BUDDEN,
Secretary and Assistant Treasurer.

Montreal, December 17, 1941.

The Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis and Prince Streets, Halifax, N.S., on Wednesday, the 4th February next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By Order of the Board.
H. D. BURNS,
General Manager.

Halifax, N.S.
December 19th, 1941.

Lake Dufault Mines, Limited

(No Personal Liability)

DIVIDEND NO. 1

NOTICE IS HEREBY GIVEN that an interim dividend of 2 cents per share has been declared by the Directors of Lake Dufault Mines, Limited, payable in Canadian funds on January 20th, 1942, to shareholders of record at the close of business January 2nd, 1942.

By Order of the Board,
FRANK T. LARSON,
Secretary-Treasurer.

Duparquet, P.Q.,
December 10th, 1941.

Accent on Coarse Grains in 1942

Western Farmer Shifts Land From Wheat, Summer Fallow to Meet Soaring Livestock Feed Requirements

From Our Own Correspondent

WINNIPEG.—While few predictions can be made with confidence as to the grain business in 1942, based on current estimates and market conditions, the outlook is for more coarse grain production, less wheat, less summer fallowing and less grain in storage throughout the year.

Movement of coarse grains and of low-grade wheat is expected to continue in quantity during the winter by the all rail route from the head of the lakes to eastern Canada. The need for feed grains there, together with the government policy of absorbing freight charges, seems to assure a continuance of the demand.

Eastern Livestock Hit?

Reports, however, are coming from the east of impending reduction in the scale of livestock operations on account of the scarcity of labor. In due course this may result in increasing pressure on western farmers to enlarge their livestock operations, something they are inclined to do in any event on account of the limitations on the probable income from wheat.

There is enough wheat in store in eastern elevators to take care of expected milling and export demands during the winter, and these will have to be very heavy before it is necessary to resort to rail movement to bring additional wheat from the west.

Resumption of very large scale movement of wheat down the lakes as soon as navigation is opened is confidently expected. It is realized that with the lessened number of lake carriers in operation, on account of diversion of some vessels to Atlantic service, and the very heavy demands that will be made by ore traffic, it will be necessary to operate the lake fleet to its full capacity to secure adequate movement of wheat during the navigation season.

Low Earnings for Elevators

Elevator companies may expect a year of net earnings decidedly smaller than those which prevailed during the crop year which ended July 31 last. New grain deliveries by farmers can hardly run much more than half those of this year, and deliveries of wheat seem likely to fall below the limit of 222 million bushels put on them by the Dominion Government. Farmers will be able to dispose of all the wheat they have produced for sale, and the restrictions on volume will be those imposed by nature rather than those announced by the government.

The elevator companies will, it is true, be storing a considerable quantity of grain throughout the crop year. But earnings from that source will not offset loss of earnings from the handling of new grain, in view of the fact that the companies must write off during the year one half the cost of the new country and terminal elevator annexes built during the 1941-42 crop year. While at times good use will be found for all the additional storage, it will fall considerably short of being used to full capacity throughout the year, according to current estimates.

Restrictions Continue

It is expected that during the next crop year the government will continue restrictions on the quantity of wheat that can be delivered by farmers. Some such restrictions may well be necessary, particularly if weather conditions are favorable to crop production, in view of the large quantity of wheat which will have to be carried forward. Or rather, it will be necessary to advise farmers in advance of seeding that some such restrictions may have to be imposed.

In the nineteen months that will have elapsed by the time the 1942-43 crop year is complete, the whole situation may be reversed. Shipping conditions may have improved and the Russian crop and transport system deteriorated to the point where provisioning Russia may become a major burden of the Canadian grain industry.

For 1942, the western farmer is expected to seed nearly as large a wheat acreage as last year, cut the amount of land to be left in summer fallow and to sharply increase the area sown to coarse grains.

But the final allocation of the western farmer's land will hinge mainly on the course of market prices between now and May. At present, the price of coarse grains, if not highly profitable, is at least attractive as compared with wheat production.

Commercial Alcohols Issues Employee Stock

From Our Own Correspondent

MONTREAL.—Additional shares, to the number of 3,690, of Commercial Alcohols, Ltd., have been listed on Montreal Curb Market. These shares have been issued under the employees' stock subscription scheme and bring the total number outstanding to 199,105.

DIVIDEND NOTICES

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 352
EXTRA DIVIDEND NUMBER 77

A regular dividend of 1% and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 31st day of December, 1941, to shareholders of record at the close of business on the 16th day of December, 1941.

DATED the 11th day of December, 1941.

P. C. FINLAY,
Secretary.

Canadian Bronze Company, Limited

DIVIDEND NOTICE

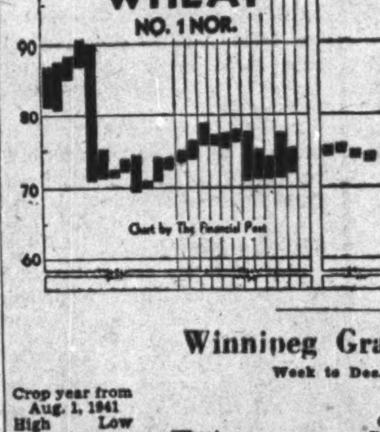
The quarterly Dividend of 1¼%, on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 2nd day of February, 1942, to Stockholders of record as of the 9th day of January, 1942.

Also a quarterly Dividend of Thirty-seven and one-half (37½c) Cents per Share, together with an interim dividend of Fifty (50c) Cents per Share, have been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending January 31st, 1942. Payable the 2nd day of February, 1942, to Stockholders of record as of the 9th day of January, 1942.

By Order of the Board,
W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
December 10, 1941.

Wheat Prices



Cash Quotations

For Week

	High Dec. 22	Low Dec. 22	High Prev. Week	Low Prev. Week
Wheat:				
1 Hard	.74⅛	.73¾	.74¾	.73¾
1 Nor.	.74⅛	.73¾	.74¾	.73¾
2 Nor.	.71	.70⅝	.71¾	.70¾
3 Nor.	.68½	.68⅛	.68¾	.67⅞
4 Nor.	.66¾	.66⅜	.67½	.66⅛
5 Wheat	.64⅛	.64⅛	.65¼	.64¼
6 Wheat	.63	.62⅝	.63¾	.62¾
Oats:				
2 C. W.	.47¾	.47⅜	.47¾	.45⅝
3 C. W.	.45¼	.44⅞	.45¼	.43¼
Barley:				
1 Feed	.56½	.55½	.56½	.53⅝
2 Feed	.55⅝	.54¾	.55¾	.54½
Flax				
1 C. W.	1.56¼	1.54¾	1.60¾	1.53¾
2 C. W.	1.53¼	1.51	1.57	1.50
Rye:				
2 C. W.	.60	.59⅝	.60	.58¼

Winnipeg Grain Futures

Week to Dec. 22, 1941

Crop year from Aug. 1, 1941 High	Low		Open Dec. 16	High for week	Low for week	Close Dec. 22	Close year ago
		Wheat					
.79	.72⅛	Dec.	.73⅞	.74¼	.73⅝	.73⅝	.72⅝
.82¾	.76¼	May	.77⅝	.78	.77⅛	.77¼	.76⅝
.80⅜	.77⅝	July	.79	.79⅛	.78⅝	.78⅝	.78
		Oats					
.48½	.35⅛	Dec.	.47⅛	.47⅛	.47⅛	.47⅛	.32⅛
.47⅞	.38⅛	May	.46⅞	.47⅛	.46¾	.46⅞	.32⅜
.46⅝	.43⅛	July	.46⅛	.46⅝	.45⅞	.46	.31⅝
		Barley					
.61⅝	.46¼	Dec.	.59⅝	.60¼	.59½	.59½	.43⅝
.62	.46⅝	May	.60	.60¼	.59⅝	.59⅝	.44
.61	.55⅛	July	.58¾	.58⅞	.58½	.58⅝	.42⅝
		Flax					
1.66⅛	1.40¼	Dec.	1.54¾	1.57	1.54¾	1.56½	1.32½
1.64⅛	1.40¼	May	1.58	1.59⅝	1.57	1.59	1.37
1.64	1.48	July	1.58½	1.59⅝	1.57¼	1.59⅛	1.38⅝
		Rye					
.66	.50¾	Dec.	.60⅛	.60⅛	.59⅝	.59¾	.45½
.67⅝	.51¾	May	.63	.63	.62⅝	.62⅝	.48⅛
.64	.60⅝	July	.63½	.63⅛	.62⅝	.62⅝	.49⅝

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The Year Ahead — In Mining Market

Some Factors Favorable For '42

But War Still Makes Future Unpredictable

War transcended all other factors as the chief motivating force in the mining market in 1941. That it will continue so in 1942 appears not unlikely. However, the market interpreted developments as unfavorable on balance in 1941—just as it did in 1940—but there is no certainty that the trend may not be changed in 1942.

Market interest showed signs of shifting from golds to base metals about the middle of 1941. This shift of sentiment has been strongly reinforced in recent weeks as steel has had to be further rationed with no assured supplies for developing gold mines or for expansion at older gold mines. With few promising properties approaching the production stage, repercussions of the steel rationing have not been as serious as would have been the case a year ago.

Improved sentiment on base metals is predicated on two factors. First, contracts with the United Kingdom allow increased payments for increased costs and there is the chance of getting something extra for any metal that can be marketed in the United States.

Secondly, the demand for base metals of all kinds has become so great that expansion has been touched off at a number of the larger base metal producing properties. Further expansion, besides this, is likely, well-informed quarters believe.

Position of Individual Mines

While war was the leading factor in determining the market action of stocks, developments at individual mines had an important effect on the market as a whole although the market was often slow to reflect such good news, and often ignored it altogether.

Important mine-making news from Larder Lake, the Malartic camp, Little Long Lac and Porcupine, did much to sustain interest in the list as a whole, but toward the end of the year even the leadership of strong issues in these fields failed to offset effects of war in the Pacific.

Rising Costs Versus Shortages

Two developments which shook the mining market in 1941—rising costs and rising wages—may not be so much in evidence in 1942, but no one can be certain they will not be replaced by other unfavorable factors. Fixing of prices may prove important in stabilizing gold mining profits in 1942 if not offset by shortages of certain items of supplies. Similarly, fixing of wages may be favorable if actual shortages of labor—and the necessity of using unskilled labor—does not offset part if not all of the saving from fixed wages.

Increased taxes were experienced by gold mines in 1941. This undoubtedly had a depressing effect on share prices as well as profits. There was no new 10% increase in the price of gold to offset higher taxes as there had been the year before.

A larger scale of operations at many mines offset much of that general increase in costs in wages in 1941 but it appears this fact was ignored by investors who were taking a pessimistic view of the future. Mining dividends were again over $100 millions and showed little change in total from 1940. For 1942, prospects appear bright for increased dividend distributions from base metal producers as the scale of operations is extended, while gold producers may equal their 1941 dividend total in spite of the fact that much further expansion in gold mining appears unlikely for the duration of the war.

Bonetal Opens Further Ore

Between Nov. 11 and Dec. 23, drifting in the new north zone adjacent and north of the No. 1 ore zone at Bonetal Gold Mines has returned 314 ft. of new ore lengths on the 175 and 275-ft. levels, a progress report reveals.

Before drifting in the zone commenced, the new ore zone had been indicated in three crosscuts. A crosscut (No. 2-82 north) from the No. 1 zone drift at the 275-ft. level, at 120 ft. east of the main crosscut and 80 ft. from the east boundary, returned a width of 25 ft. running 0.57 oz. on chips or 0.38 oz. on car samples. The main crosscut on the 275-ft. level showed a width of 20 ft. running 0.28 oz. on chips and 0.11 oz. on car samples. At the 175-ft. level, the crosscut showed a width of 30 ft. running 0.27 oz. on chips or 0.24 oz. on car samples.

Chips Run Up to 0.36 Oz.

Drifting east from the No. 2-82 crosscut at the 275-ft. level has given 69 ft. of ore grading 0.36 oz. on chips or 0.26 oz. on car samples across an average drift width of 6.7 ft. Drifting east from the main crosscut on the 175-ft. level in this zone has so far returned 75 ft. of ore averaging 0.33 oz. on chips and 0.27 oz. on car samples over drift width of 7 ft. Going west, 170 ft. of ore has been opened up averaging 0.2 oz. on chips and 0.14 oz. on car samples over drift width of 7.1 ft.

Since Nov. 11, ore length in the No. 1 zone at the 400-ft. level has been extended to 141 ft. west of the crosscut with a width of 5.8 ft. averaging 0.28 oz. on chips and 0.12 oz. on car samples and for 39 ft. to the east averaging 0.16 oz. on chips and 0.07 oz. on car samples over 6.2 ft. in width.

Extend No. 2 Zone Drift

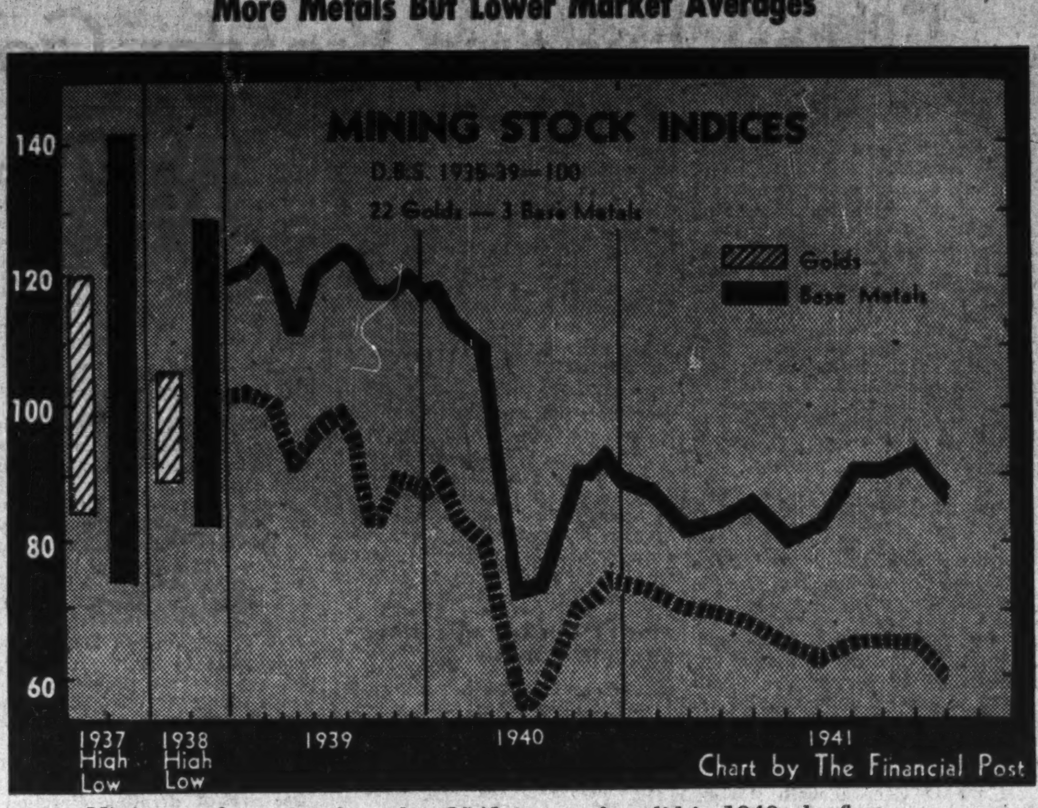
The drift to the west on the 400-ft. level to explore the No. 2 zone in the greenstones has been extended over 571 ft. and will be continued some distance past a point 800 ft. west of the main crosscut where the most westerly diamond drill hole in the No. 2 zone intersected 24.5 ft. averaging 0.19 oz. or 36.5 ft. averaging 0.16 oz., representing the most favorable intersection in the zone.

When this drift is completed the No. 2 zone will be explored by diamond drill holes from this drift at close intervals. The last round in this drift showed quartz in the north wall and a slash was taken in the wall which opened up irregular quartz stringers containing considerable coarse gold, both in the face and the north wall of the slash. A chip sample across the face 2.5 ft. in width averaged 0.8 oz.

Shipments of ore to the Broulan mill in November totalled 3,401 tons which yielded $20,970, before deduction of marketing expense and the charge for milling of $1.50 per ton. Due to ore from development headings making up about two thirds of ore shipped, the average grade of shipments will be much lower than anticipated mine average. However, net returns from shipments are expected to approximate total operating costs including the cost of the extensive development of the property during the next four or five months.

The development programme now under way should indicate what daily production tonnage should be considered as the basis for the step up which may be necessary in the Broulan mill to handle such tonnage. The arrangement to mill ore at the Broulan mill makes it possible to secure returns to cover cost of further development and in the period ahead will make possible production on such a tonnage basis as may be warranted without Bonetal having to finance the cost of a mill.

More Metals But Lower Market Averages



Mining market prices lagged in 1941 just as they did in 1940, the first year of war. Market sentiment shifted during the year, however, with base metal issues finding greater favor.

Week in Mining

Metal Output Figures Show Output Jumping

With publication of figures on base metal production suspended due to the war, the most reliable index of Canadian base metal production is exports of non-ferrous metals as provided by the D.B.S. These figures exclude exports of gold, but include exports of aluminum which is not ordinarily included in base metal production.

November exports of non-ferrous metals, on this basis, were $23.4 millions against only $17.1 millions the same month of 1940. For the first 11 months of 1941, exports at $225 millions were 24.7% higher than the corresponding period of 1940. Inclusion of aluminum export figures may exaggerate the increase somewhat but it appears that increased production of copper, lead and zinc contributed to the result. Since Canadian consumption of all three of these metals has been increasing, the fact that non-ferrous metal exports were increased by 24.7% is all the more impressive. As increased base metal production capacity comes into play, it is almost a foregone conclusion that Canada's non-ferrous metal exports will take a further rise.

• • •

Bulolo in War Zone

War in the Far East is coming perilously close to another Canadian mining enterprise — Bulolo Gold Dredging. Reports tell of Japanese landings in both the Netherlands East Indies, and in New Guinea, where the Bulolo enterprise is located. In view of the role aircraft are playing in the war, it is interesting to recall that Bulolo was developed entirely by 'plane and that even today it can only be reached by a 35-mile 'plane trip.

Bulolo shares have been weak as the war situation in the Far East has developed. In November, shares were selling about $17. Around the end of last week, trades were made at $11.50 a share and this week the shares were down to $9.50 each. The eastern situation is certainly the important factor in the decline for shares have paid $3 a share for years and large gravel reserves for future operation have been established.

• • •

Other Foreign "Assets"

While the outlook for Bulolo is not bright, chances of recovering already lost Canadian mining assets in Norway and Finland appear much brighter than was the case a few months ago. With Russia doing better on the eastern front, International Nickel's Petsamo mine in Finland might be recovered much earlier than many people had thought possible. Even if the mine were recovered, it is unlikely it would be reopened by International Nickel until a stable peace is established.

Hitler speaks of strengthening garrisons in Norway and other countries, apparently fearing either internal rebellion or possible invasion. Resistance to the Nazis has been strong in Norway and this country might be one of the first to escape the Nazi yoke. If Norway becomes free, Falconbridge Nickel hopes to get back its lost nickel refinery which had not been damaged at last report.

• • •

More Alberta Coal

Alberta's coal has been finding increased use in Ontario, according to figures released by the office of the coal administrator, J. McG. Stewart.

From April 1 to Oct. 30, 1941, Alberta coal shipped to Ontario totalled 135,544 tons as compared with only 56,637 in the corresponding period of 1940. This represents an increase of 157%.

Increase in the use of Alberta coal is looked on as a direct result of the current campaign to promote wider Canadian use of Canadian coals.

• • •

Mining Beryl

Beryl ore, the ore of beryllium, is now being mined by Mobirk Beryllium Mining Co. on its properties in the Winnipeg River area of Manitoba.

Present plans call for stockpiling of beryl crystals and massive beryl during the winter months. It is hoped to stockpile a sufficient quantity of beryl to justify construction of a recovery plant.

Neither crystals nor massive formations are found in great concentrations but occur at intervals throughout the pegmatite dikes which are a feature of this district in Manitoba. From past experience, deposits are expected to yield about one ton of beryl and massive beryl for 20 tons of rock.

Cournor Beaufor Results Improved

Ore Supply Reported at 20,000 Tons After Extended Milling

Much better results have been secured recently at the Beaufor mine of Cournor Mining Co. and ore reserves there have been increased to 20,000 tons or about four months' supply, the November progress report states.

Since commencement of milling operations in the Beaufor shaft area, 169,163 tons of ore have been mined. At the start the mine had ore reserves amounting to approximately 20,000 tons and estimates made from the information available at that time showed 50,000 to 100,000 tons would be available for mining. All ore mined to date has come from a small area near the Perron boundary. No stoping or development has yet been done below the 600-ft. level.

Recent developments to the west have indicated an extension of the ore zone and some excellent small but scattered veins have been opened up in this western area. The main part of the Beaufor ore zone above the 600-ft. level has been rather thoroughly explored but diamond drill holes are being run into the zone to locate the small veins and off-shoots which lie between larger stopes. Relatively large tonnages of ore have been located by this detailed exploration of the ore zone.

Production in November was $49,510. The Beaufor mine produced 68.9% of the total ore hoisted and the Cournor mine produced the remaining 31.1%.

Relief Arlington Mines, in voluntary liquidation, is offering for sale its complete mining, milling and surface plant at Erie, B.C., and fully equipped cyanide mill designed to handle 75 tons per day. Details are available from D. G. Marshall, liquidator, 626 West Pender St., Vancouver, B.C., or J. B. Watson, 911 Birks Bldg., Vancouver.

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Broulan Cuts Wide Ore Drilling From Pamour

Underground exploration in recent months has indicated interesting ore possibilities in both the east and west sections of the property of Broulan Porcupine Mines, Bert W. Lang, president, informs shareholders in the company's report for the fourth quarter.

Drilling from the 600-ft. level of Pamour Porcupine Mines into the company's northeast claim—3,000 ft. northeast of the shaft—has returned ore intersections. The first hole put out south gave results as follows (calculated from the north boundary of the property): A core width of 12 ft. running 1.23 oz. uncut or 0.273 oz. cut starting at 140 ft.; 1 foot running 0.22 oz. at 196 ft.; 4 ft. of 0.16 oz. at 203.5 ft.; 1.5 ft. of 0.14 oz. at 220.5 ft.; 5 ft. of 0.09 oz. at 329 ft., and 1 foot of 0.18 oz. at 360 ft. from the boundary.

Second Hole Drilling

A second hole located 120 ft. to the east is now being completed. Values in the first hole are considered encouraging as indicating real ore possibilities in this area where earlier shallow drilling from surface yielded only low values. It is planned to continue diamond drilling to explore the full possible length of the zone across the claim, a distance of over 1,300 ft.

To the west at the fourth level, a long drift is being put to explore an area where surface drilling some time ago indicated veins. This drift has been carried 2,340 ft. with 750 ft. to go to reach its objective. In the meantime, the Bonetal drift at the fourth level was driven to the Broulan boundary and on it being extended into Broulan ground by agreement, a length of 121 ft. of ore was opened up averaging 0.34 oz. from chip samples and 0.28 oz. from car samples over an average width of 6.4 ft. The quartz zone which was indicated by surface drilling and located south of this ore shoot will be tested later by diamond drilling from the drift on the fourth level.

1941 Net, 12 Cents A Share

Estimated net profit for 1941, after allowance for all deductions, including taxes, is estimated at 12 cents a share. Comparable earnings are anticipated in 1942, providing unforeseen circumstances do not materially affect normal operations. In order to build up the company's working capital position, it has been decided to apply the next two months' earnings to this objective, leaving consideration of the next dividend until the first quarter of 1942.

Production for the fourth quarter of 1941 is estimated at $280,000 compared with $261,612 for the third quarter, $239,849 for the second quarter and $285,376 for the first quarter of 1941. Grade of ore milled dropped during 1941, due chiefly to the policy adopted early in the year of mining a large volume of low-grade ore from the walls and extensions of ore bodies, thus substantially increasing the tonnage and total value of ore available for mining.

Operating Costs $3.69 A Ton

During 1941, up to and including November, 126,419 tons of ore were milled, yielding a recovery of $971,434 or $7.68 a ton. Operating costs in the first 11 months averaged $3.69 per ton milled, compared to $4.51 in 1940. However, due to the change from the leased Mace mill to the new Broulan mill late in 1940, a more accurate comparison would be total operating costs plus depreciation which averaged $4.37 per ton milled in 1941 compared with $4.73 per ton in 1940. Some minor increases in costs may be expected during 1942 although it is anticipated such increases may be offset by reduction in costs due to milling Bonetal ore and relatively lower expenditures on development, stope preparation and general work.

Holds 836,337 Bonetal Shares

Income for the first 11 months of 1941, before deduction of allowances for depreciation and deferred development, but after taxes amounted to $405,306. This income allowed a $1,472 increase in working capital, purchase of 338,837 shares of Bonetal Gold Mines for $92,950, $53,201 of capital expenditures, a $15,223 increase in prepaid charges and payment of 9 cents a share in dividends, totalling $242,460. Holdings of Bonetal Gold Mines now total 836,337 shares carried at $189,655.

Mining Concentrates

Bayonne Consolidated plans a distribution of $25,000 or a dividend of a cent a share in January if shareholders approve a recomendation of directors.

* * *

Berens River Mines reports an increase in production for November:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	7,240	241	$19.16	$138,726
Oct.	7,300	235	16.84	122,910

* * *

Grull-Wihksne Mines will receive approximately $12,500 from Bayonne Consolidated Mines in January if a mooted dividend of a cent a share for that company secures approval.

* * *

Gunnar Gold Mines showed a somewhat lower production in November:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	4,302	143	$8.53	$36,686
Oct.	4,375	141	8.48	37,097

* * *

Goodrock Gold Mines has appointed Claud Watt as mine manager for its property adjoining Ptarmigan Gold Mines in the Yellowknife area, N.W.T. W. B. Airth, consulting geologist, stated some time ago that an extension of the Ptarmigan zone crossed the Goodrock property for a distance of about a mile. Work is being concentrated in that area.

* * *

Lunward Gold Mines is stated to have cut two mineralized sections of 11 and 16 ft. in the first hole in its current diamond drilling campaign. Assays are not yet available. Drilling of a second hole below the first is now under way.

* * *

Macassa Mines maintained production at more than 50% in November in spite of the effects of the Kirkland Lake strike. Output details are as follows:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	9,465	316	$16.39	$155,140
Oct.	13,178	425	17.87	235,545

* * *

Mosher Long Lac Gold Mines expected repayments of advances of $17,500 to Thompson-Lundmark Gold Mines to start shortly, shareholders were informed at the company's annual meeting last week. Since Sept. 30, the company has received additional income totalling $4,035.

* * *

McMarmac Red Lake Gold Mines in the six months ended Oct. 31, 1941, turned out $270,049 from 15,551 tons of ore, an average recovery of $17.37 per ton. Grade of ore treated ran 0.478 oz. Of total recovery, 23% was in flotation concentrates. Operating costs for the period are estimated by President W. G. Armstrong at a maximum figure of $135,000 before taxes, depreciation and pre-production write-off. The shaft has been deepened 300 ft. to a total depth of 750 ft. and a new hoist has been installed. Crosscutting on the new 4th and 5th levels has been started and headings are being driven toward the projected intersections of the carbonate zones in which ore has been developed on the upper levels.

* * *

Paymaster Consolidated Mines reports a slightly lower production for November which was one day shorter than the previous month:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	17,252	575	$8.98	$155,035
Oct.	18,262	589	8.77	160,205

* * *

Thompson-Lundmark Gold Mines is stated to have realized an operating profit of $121,238 from the commencement of production late in August to the end of November. In November alone, operating profit amounted to $46,442. This resulted from treatment of 2,696 tons of ore grading 0.83 oz. gold per ton.

Arntfield Mill May Move Ahead

Ore From No. 3 Ore Zone Expected to Boost Revenue

From Our Own Correspondent

ROUYN.—With ore in the No. 3 body being prepared for stoping on the 9th and 10th levels, Arntfield Gold Mines is looking forward to an increase in tonnage milled which will give operating profits for broader development.

Production at present is running 130 tons a day or considerably below mill capacity. Output for November was $19,250 from 3,988 tons for an average recovery of $4.83 a ton. This is a considerably higher average recovery than prevailed in the previous period of milling and reflects the higher average grade of ore opened up in recent months.

Lateral development in recent months on the 775 and 925-ft. levels is stated to have opened up ore structures with interesting possibilities. This shaft is located 1,400 ft. east of the Francoeur boundary.

Apex Above 625 Ft.

The new ore bodies occur along the north-dipping regional shear and apex above the 625-ft. level on which there is a length of 70 ft. of marginal grade ore. On the 775-ft. level stoping is proceeding over a length of 117 ft. Average stoping width of 7 ft. is returning a 0.15 oz. grade. A crosscut is being driven east on this level to explore the No. 4 structure indicated in diamond drilling as of mine average grade over widths up to 10 ft.

On the 925-ft. level the No. 3 ore body has been opened up for a length of 280 ft. averaging 0.15 oz. over 9.8 ft. The ore body, both east and west, occurs along the main fault. A persistent narrow quartz vein carries visible gold and may effect an upward trend in grade.

Favorable Intersections

The crosscut from the shaft on the 1,075-ft. level is close to the No. 3 ore body and drifting in ore east and west should be under way before the end of the month. Diamond drilling from east to west has returned favorable intersections over an east-west length of 340 ft., intersections being as follows: 0.17 oz. across 7.8 ft., 0.208 oz. across 9.2 ft., 0.21 oz. across 7.2 ft., and 0.187 oz. over 6.5 ft.

The hoist and headframe from the No. 3 shaft are being transferred to the No. 2 shaft to permit of more active development in the latter.

Venezuela Oil Output High

Crude oil output in Venezuela is establishing records for volume. This is of direct interest to International Petroleum Co. which has a one-quarter interest in the output of Mene Grade Oil Co.

The latter company produced 3.7 million barrels of crude in September this year and about 80,000 barrels more in October. In Oct., 1940, production totalled 3.5 million barrels.

Exports of crude oil from Venezuela in October this year to Canada totalled 834,025 barrels, a substantial gain from the 530,285 bbls. sent to Canada in September this year.

The Year Ahead — In Oils

Sees Big Year Ahead For Oil Industry

From Our Own Correspondent

Oil Prospects Bright

CALGARY.—The Alberta oil industry is going into 1942 in much better shape than it was a year ago, with every reason to believe that it will in the coming year break the all-time production record rung up in the year now ending.

The Turner Valley field, producer of 98% of the oil currently being produced in Canada, starts 1942 producing about 28,000 bbls. per day, nearly 3,000 bbls. per day more than at the start of 1941. Not only is the field producing more, it is operating more efficiently and with somewhat less strain than it did during the first half of 1941.

* * *

Development Boom

The Turner Valley area is in the midst of a new development boom, with about 30 wells drilling and several more preparing to spud in, at the start of 1942. About half of the wells now drilling are north extension ventures, located north and west of the field's proved limits. If all are successful, and geological opinion is increasingly in their favor, the field will be extended another 14 miles northwest, will have its proved area increased about 75%.

The 1942 outlook for Turner Valley, therefore, is good. There seems little doubt but that it will in the coming year produce more than the record 9.8 million barrels produced in 1941. There is also every reason to hope that the proved area will be further increased, opening up territory that will assure adequate sites for drilling for many years to come.

Outside Fields Help

Alberta oil production from fields other than Turner Valley was not large, compared with the Valley, at the start of 1941. Nevertheless, it is now running around 300 to 400 bbls. per day, compared with only about 150 bbls. per day a year back.

The present actual production, however, does not convey the full picture of the worth of the development that took place during 1941, nor does it tell what can be expected during 1942.

The year 1941 witnessed the beginning of an expansion of drilling operations in the Vermilion area, a resultant increase in heavy oil yield from this field; the completion of at least two commercial oil-wells in the Princess-Steveville area; and completion of an apparently commercial oil producer in the Twin River area.

* * *

What 1942 Holds

As 1942 begins a wave of new development can be expected in the Vermilion and Princess areas, exploiting the past year's discoveries, while exploratory drilling will be completed at more than half a dozen other likely areas in the foothills and on the plains of Alberta.

The knowledge gained by drilling in 1941, the knowledge gained by operation of the several discovery producers, and the knowledge gained from the large amount of surface survey work undertaken in 1941, will be vital factors in the coming year.

There is every reason to believe that 1942 will see a very substantial expansion of production in the areas where oil is now known to exist, and probably also the discovery of new sources of crude that may ultimately rank with Turner Valley as major producers of Canada's Oil.

* * *

Geologists Optimistic

That Alberta's oil resources have scarcely yet been touched is acknowledged by all geologists who have surveyed the province. That 1942 will probably see the greatest expansion of production outside of Turner Valley that the province has ever seen is a general expectation.

If the growing knowledge of possibilities, the growing experience of Alberta's oilmen, the increasing will to open up new fields, and the increasing need of Canada for new sources of oil required for the war effort, counts for anything, there is no doubt but that the coming year will rank as the Alberta oil industry's greatest year yet.

* * *

North End Wells

Continuing the expansion of development in the north Turner Valley extension area, locations have been announced for two more royalty-financed tests in this area. The new tests are: Hastings Royalties No. 1, to be drilled in L.S.D. 3 30-21-3w5 under the sponsorship of Francis P. Byrne and associates; and Admiral Oils No. 1, to be drilled in L.S.D. 12 27-22-4w5 with the backing of Admiral Oils, Ralph M. Smith of Calgary, and a group of Toronto royalty dealers.

* * *

2nd Princess Well

Standard Oil of B. C. has completed another successful producer in the Princess area. The new producer is Princess No. 6, recently completed in the Sunburst sand horizon at 3,190 ft.

After completion of drilling, casing was run and set to bottom, and was then perforated opposite the Sunburst oil zone. Placed on test last week, the well showed a rate of 120 bbls. per day in one 26-hour test, and in a four-hour test last week end showed a flow rate of 156 bbls. per day. The oil, of about 26 degrees API gravity, is clean, with no sign of water present. Early this week the well was shut in while tankage was erected. When tankage is ready, the well will go on an extended production test.

It is understood that Standard Oil is now completing plans for a continued development programme in the vicinity of the new producer.

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